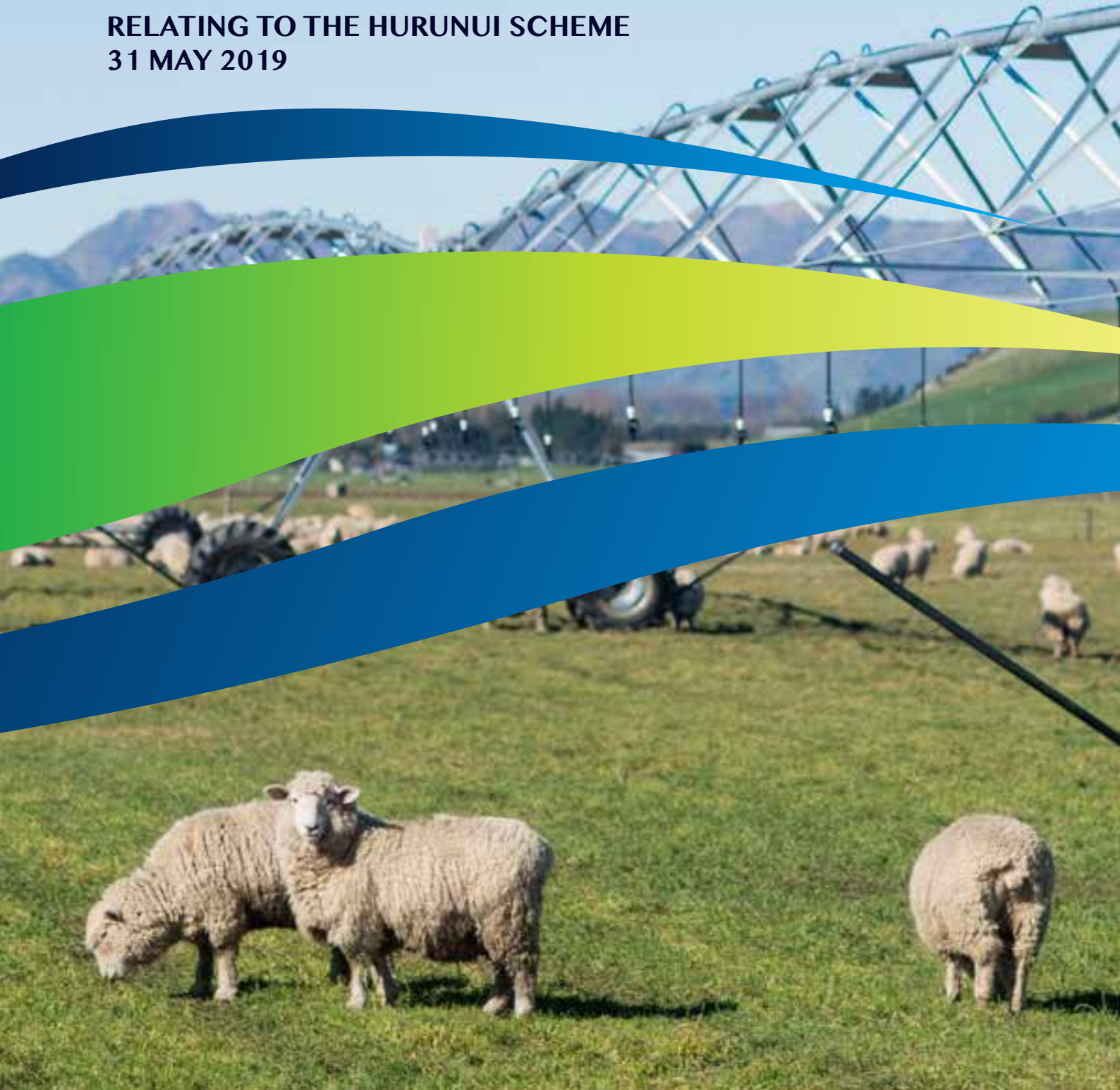


# PRODUCT DISCLOSURE STATEMENT FOR THE OFFER OF A SHARES

RELATING TO THE HURUNUI SCHEME

31 MAY 2019



This product disclosure statement, dated 31 May 2019, is for the issue of A Shares in Amuri Irrigation Company Limited.

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on <http://www.business.govt.nz/disclose/about-the-register/searching-for-an-offer-or-scheme>.

Amuri Irrigation Company Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.



# 1. Key Information Summary

## What is this?

This is an offer of A Shares in Amuri Irrigation Company Limited (**Amuri**). The A Shares give you a stake in the ownership of Amuri. You may receive a return if Amuri increases in value and you are able to sell your A Shares at a higher price than you paid for them. If Amuri runs into financial difficulties and is wound up, you will be paid only after creditors have been paid. You may lose some or all of your investment.

## About Amuri

Amuri is a community based irrigation scheme in the Amuri Basin in North Canterbury and is owned and governed by its farmer shareholders.

The principal activity of Amuri is the supply of water to its shareholders. Amuri sets its Water Charges at the level required to service Amuri's debt and operate and maintain the Scheme. Prudent financial management and asset management (Amuri manages existing assets carefully and schedules regular maintenance) keeps Water Charges at a reasonable amount.

## Purpose of this offer

This offer of A Shares is being made to partially fund the development of a new irrigation scheme, referred to as the Hurunui Scheme, which will provide pressurised water to shareholders within the Hurunui Scheme Area:

- partially fund the design and construction of the Hurunui Scheme; and
- pay costs associated with the development of the Hurunui Scheme, including, without limitation, land access, consultancy, governance, professional and administration costs which are approved by Amuri.

See Section 3 (entitled "Purpose of the Offer") for further information. See Section 2 (entitled "Amuri and What it Does") for information about Amuri and the Hurunui Scheme.

## Key terms of the offer

Conditional Offer	<p>This offer is conditional on each of the following conditions (Conditions) being satisfied or waived by Amuri at its absolute discretion:</p> <ul style="list-style-type: none"><li>• <b>Condition 1:</b> Amuri receiving a credit approved proposal from a Bank offering to finance the Hurunui Scheme on terms satisfactory to the Board of Amuri;</li><li>• <b>Condition 2:</b> the Board of Amuri being satisfied that the construction costs are sufficiently certain, and the Construction Contracts are sufficiently advanced, for the construction of the Hurunui Scheme;</li><li>• <b>Condition 3:</b> the issue of the Additional Consents being sufficiently progressed to the satisfaction of Amuri;</li><li>• <b>Condition 4:</b> the Board of Amuri being satisfied that sufficient land access arrangements are in place for the development and construction of the Hurunui Scheme; and</li><li>• <b>Condition 5:</b> the Board of Amuri being satisfied that the final Water Charges payable by shareholders being supplied by the Hurunui Scheme are not likely to exceed \$500 per A Share for the first year of operation.</li></ul> <p>If all of the Conditions have not been satisfied or waived by Amuri by 5pm on 31 March 2020 or other such date as may be determined by the Board of Amuri in its sole discretion (<b>Condition Date</b>), the offer will be withdrawn and applicants will be refunded any amounts paid to Amuri under this offer.</p>
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Key terms of the offer	
Brief description of the A Shares	<p>The Shares being offered are A Shares in Amuri, which are the same class of shares held by existing shareholders. However, the Water Supply Agreement for the Hurunui Scheme will provide for a different amount of Water Charges payable per share (due to the funding arrangements for the Hurunui Scheme) and a different application rate per share.</p> <p>The Water Supply Agreement for the Hurunui Scheme shall entitle shareholders to irrigate one hectare with water at the rate of 0.45 litres of water per second for every A Share held. The maximum rate and volume of water each shareholder takes during each Irrigation Season is therefore dictated by the number of A Shares held.</p> <p>The terms of issue and the rights and obligations attaching to the A Shares are more specifically set out in clause 3.2 of the Constitution and in Section 6 (entitled "Key Features of A Shares") below.</p>
Price of the A Shares and Payment for the A Shares	<p>Fixed at \$7,000 per A Share payable in three instalments:</p> <ul style="list-style-type: none"> <li>• \$1,000 per A Share on application;</li> <li>• \$3,000 per A Share following the offer becoming unconditional and prior to the Issue Date; and</li> <li>• \$3,000 per A Share on the Call Date*.</li> </ul> <p>Payment of the second instalment must be made within 5 working days of Amuri giving notice to applicants confirming the offer has become unconditional. Payment of the third instalment must be made by the 20th day of the month immediately following the Call Date.</p>
Key Dates:	See Section 4 (entitled "Key Dates and Offer Process") for information about the key dates of the offer.
Offer of Shares opens ( <b>Opening Date</b> )	10 June 2019*
Offer of A Shares closes ( <b>Closing Date</b> )	26 July 2019*
Date of issue of A Shares ( <b>Issue Date</b> )	Within 2 weeks after the date all of the Conditions have been satisfied or waived, or such other date as the Board may determine*. The issue of A Shares to applicants is subject to Amuri receiving payment of the second instalment of the A Share Purchase Price.
Shares being offered	<p>The minimum number of A Shares being offered to each Shareholder is 10 A Shares**.</p> <p>This offer of A Shares will not proceed if a minimum 6,000 A Shares are not sold**.</p> <p>The maximum number of A Shares being offered will be 7,000 (with the ability to accept over-subscriptions)**.</p> <p>Assuming 7,000 A Shares are sold under this offer, this will represent 19.9% of all A Shares in Amuri immediately after issue.</p>
Applications	<p>Each applicant must fully complete, execute and return the Application Form and Approval Forms to Amuri no later than 5pm on the Closing Date. Amuri will only accept applications for A Shares if it is satisfied that the applicant is within the Scheme Area and can be supplied with water economically. In addition, any application in respect of land that is located within both the Hurunui and Waipara catchments is subject to Amuri obtaining the necessary discharge permit under the Canterbury Land and Water Regional Plan. Any application in respect of land within the Hurunui catchment that has a balance of dry land in the Waipara catchment is subject to and conditional on Amuri obtaining this discharge permit (if required).</p> <p>Amuri may, in its sole discretion, accept late applications and reject any application without providing any reason for such rejection.</p>
Water Supply Agreement	By signing and completing the Application Form, each applicant is irrevocably agreeing to be bound by the Water Supply Agreement and is deemed to have contemporaneously entered into this agreement with their application. A summary of the terms of the Water Supply Agreement is set out at Section 16 and a full copy of the Water Supply Agreement is available on the Offer Register.



Key terms of the offer	
Water Charges	Under the Water Supply Agreement, shareholders are required to pay Water Charges based on the number of A Shares they hold (whether or not they take their allocation of water). Amuri's initial estimate of the Water Charges payable by shareholders supplied by the Hurunui Scheme is \$461 per A Share.
Access	This offer is conditional on the Board of Amuri being satisfied that sufficient access arrangements are in place for the development and construction of the Hurunui Scheme. The Water Supply Agreement (and Constitution) provide that the shareholder grants Amuri access to their land for (amongst other things) the purpose of attending to maintenance, operations and the construction of the Hurunui Scheme.
Easement	By signing and completing the Application Form, each applicant (if applicable) irrevocably agrees to be bound by the terms of the Easement. The Easement only relates to those shareholders who own land which the Hurunui Scheme Infrastructure will enter or pass through. A summary of the terms of the Easement is set out at Section 16 and a full copy of the Easement is available on the Offer Register. The terms of the Easement are subject to reasonable changes (as determined in Amuri's sole discretion).

\*The above dates are indicative only and may be changed by Amuri. Amuri may also withdraw the offer of A Shares at any time before the allocation of the A Shares or accept late applications (either generally or in individual cases).

\*\*The above minimum and maximum numbers are subject to change at the Board's sole discretion.

## How you can get your money out

Amuri does not intend to quote these A Shares on a market licensed in New Zealand and there is no other established market for trading them. This means that you may not be able to sell your A Shares. The right to transfer or sell A Shares, whether through the sale of land or separately is set out in the Constitution and the Water Supply Agreement and is described in more detail at Section 6 (entitled "Key Features of A Shares").

## Key drivers of returns

It is not Amuri's intention to provide shareholders with a financial return in the form of dividends or other such payment from Amuri. The return that a shareholder will receive from the A Shares is the entitlement to be supplied water by Amuri (subject always to the terms of the Constitution and the Water Supply Agreement). The shareholder may receive a return (if any) from the increased value and productivity of the shareholder's land from irrigation.

The following current and future aspects of Amuri's business are likely to have the most impact on the level of benefits enjoyed by shareholders and on the Water Charges:

Construction	Amuri's intention is to construct the Hurunui Scheme as efficiently as possible. Amuri has obtained professional advice to measure estimated costs and timeframes while allowing for the appropriate contingencies. Amuri intends to run a tender process to ensure that the successful contractor(s) is competitive on price and has the necessary experience. The timeliness and cost of the Hurunui Scheme will be monitored throughout the process.
Water Consents	Water will be provided to shareholders in accordance with the Hurunui Consents. See Section 2 (entitled "Amuri and What it Does") for information about the Hurunui Consents, as well as Amuri's other Consents.
Water Reliability	The Hurunui Scheme is expected to have a water reliability of 91% in terms of Average Demand Supply-Ratio. Amuri is focused on developing further water storage opportunities to improve and maintain reliability of supply to all shareholders. If Amuri is able to execute these opportunities as currently envisaged, it expects to be able to provide shareholders supplied by the Hurunui Scheme with the opportunity to increase reliability. The execution of these opportunities may require additional funding from shareholders in the future. The amount of additional funding cannot be estimated with any accuracy at this time, but will be discussed with shareholders when further information is available.
Nitrogen	Amuri holds a land use consent for nitrogen losses of up to 1,270 tonnes per year within the Hurunui Scheme Area. Shares will only be issued if there is sufficient allocation under Amuri's land use consent for the applicant's proposed land use. Based on the results of Amuri's initial survey of landowners in the Hurunui Scheme Area, Amuri has been advised that this will be the case.
Finance	The Hurunui Scheme will be funded by the proceeds raised under this offer and by debt funding.

Further information can be found in Section 2 (entitled "Amuri and What it Does").

## Key risks affecting this investment

Investments in shares are risky. You should consider if the degree of uncertainty about Amuri's future performance and returns is suitable for you. The price of these A Shares should reflect the potential returns and the particular risks of these A Shares. Amuri considers that the most significant risk factors that could affect the value of the A Shares are:

Debt Funding	<p>Amuri has not yet secured the additional finance required to develop and construct the Hurunui Scheme. Amuri has received an indicative proposal from its current Bank, which is subject to the Bank's credit approval and other conditions that Amuri is yet to satisfy. There is a risk that the terms of the indicative proposal are different to those set out in any credit approved offer. This could lead to an increase in the Water Charges payable by shareholders supplied by the Hurunui Scheme or Amuri determining that the Hurunui Scheme is not economically viable.</p> <p>Shareholders supplied by the Hurunui Scheme will service the additional debt required for the Hurunui Scheme, while existing shareholders will service Amuri's existing debt. As the additional debt required for the Hurunui Scheme will be consolidated with Amuri's existing debt, all of Amuri's current and future assets will be used as security for the additional debt, even though the additional debt will only be serviced by those shareholders supplied by the Hurunui Scheme.</p>
Obtaining and varying consents	<p>Amuri does not yet have all of the consents required to construct and operate the Hurunui Scheme. While Amuri is confident that it will be able to obtain these consents, this offer is conditional on issue of the Additional Consents being progressed to the satisfaction of Amuri.</p> <p>In addition, Amuri wishes to vary a number of conditions to the Hurunui Consents. If Amuri is unable to do so, this may increase the costs of the Hurunui Scheme and lead to an increase in the Water Charges.</p>
Cost Escalation	<p>There is a risk that the construction costs, operating and maintenance costs, and financing costs applicable to the Hurunui Scheme increase. If costs increase significantly, Amuri may need to increase the Water Charges payable by those shareholders supplied by the Hurunui Scheme.</p>
Construction and Engineering Risks	<p>There are a number of risks associated with the construction of the Hurunui Scheme that could delay or increase the costs of the scheme or result in Amuri not being able to proceed with the scheme. These include time/delay risk in completing the works in accordance with the proposed work programme, cost risk in ensuring the scheme is completed within budget amounts, and risks relating to the performance and design of the Hurunui Scheme Infrastructure (both during construction and post-construction). There is also a risk to shareholders that the water supplied by Amuri could be delayed and a reduced level of service experienced if the Hurunui Scheme is not completed in accordance with the proposed work programme or there are performance/design issues with the Hurunui Scheme Infrastructure.</p>
Resource Consents and Availability of Water	<p>Amuri is dependent on the availability of water under its consents. Amuri's ability to take water is subject to the conditions (including the minimum flow conditions) under its consents, as well as seasonal water flows and river conditions. If there are significant issues in the ability to access water, or low river flows, Amuri may not be able to supply water to shareholders at the volumes expected.</p>
Non-Payment of Water Charges	<p>If a shareholder fails to comply with the terms of the Water Supply Agreement and does not make payment to Amuri of the Water Charges this poses a risk to Amuri as Amuri is funded by the income received through the Water Charges. If a shareholder defaults on payment due, this may result in an increase to the Water Charges for remaining shareholders.</p>
Uptake of A Shares	<p>If A Shares are not sold in sufficient numbers to meet the minimum number of A Shares required for the offer to proceed, the Hurunui Scheme will not be able to proceed as there will not be sufficient equity. However, in the event the minimum subscription is achieved but overall there is still a lower than anticipated subscription of A Shares, this may affect the Water Charges set by Amuri.</p>
Water Reliability	<p>The Hurunui Scheme is expected to have a water reliability of 91% in terms of Average Demand Supply-Ratio, which means that there may be times where water may not be available for irrigation. If Amuri is able to execute potential storage opportunities to improve water reliability, there is a risk that Water Charges will need to increase to fund the construction of these storage opportunities. Amuri will, however, discuss this with shareholders before doing so.</p> <p>If Amuri is unable to execute these storage opportunities, there is a risk that reliability does not improve, which will not result in a consequential increase in Water Charges. Depending on each shareholder's individual circumstances, this outcome may be acceptable.</p>
Nutrient Management	<p>The proposed land uses within the Hurunui Scheme Area may not exceed the maximum nitrogen loads specified in Amuri's land use consent, which also contains strict phosphorous limits. Shares will only be issued to applicants if there is sufficient allocation under Amuri's land use consent for the applicant's proposed land use. Each shareholder in the Hurunui Scheme Area will have a Farm Environment Plan (<b>FEP</b>), which will specify the management practices that each shareholder will be required to adopt in order to meet Good Management Practice and will focus on mitigating nitrogen and phosphorous losses. Each shareholder's FEP will be audited.</p>

This summary does not cover all of the risks in investing in the A Shares. You should also read Section 8 of this PDS (entitled "Risks to Amuri's Business and Plans").

## Where you can find Amuri's Financial Information

The financial position and performance of Amuri are essential to the assessment of this offer. You should also read Section 7 of this PDS (entitled "Amuri's Financial Information").



## Contents

<b>1. Key Information Summary</b>	<b>1</b>
Contents	5
Letter from the Chair	6
<b>2. Amuri and What it Does</b>	<b>7</b>
<b>3. Purpose of the Offer</b>	<b>16</b>
<b>4. Key Dates and Offer Process</b>	<b>17</b>
<b>5. Terms of the Offer</b>	<b>18</b>
<b>6. Key Features of the A Shares</b>	<b>20</b>
<b>7. Amuri's Financial Information</b>	<b>23</b>
<b>8. Risks to Amuri's Business and Plans</b>	<b>24</b>
<b>9. Tax</b>	<b>28</b>
<b>10. Where You Can Find More Information</b>	<b>29</b>
<b>11. How to Apply</b>	<b>30</b>
<b>12. Contact Information</b>	<b>33</b>
<b>13. Directory</b>	<b>34</b>
<b>14. Glossary</b>	<b>35</b>
<b>15. Map of Scheme Area</b>	<b>37</b>
<b>16. Summary of Water Supply Agreement</b>	<b>40</b>
<b>17. Consents</b>	<b>43</b>
<b>18. Application Form &amp; Approval Forms</b>	<b>45</b>



## Letter from the Chair

Dear Property Owner

On behalf of the Board it gives me great pleasure to be able to offer you the opportunity to become a shareholder in Amuri.

Amuri's vision is to be a trusted and progressive irrigation company that efficiently and sustainably supplies reliable water. When Hurunui Water Project Limited (HWP) was unable to advance its proposed scheme, Amuri saw an opportunity to progress its vision and develop a smaller, more economically viable, new scheme that would enhance our Existing Scheme and provide value to both new and existing shareholders.

It is important to the district that the resource consents that were obtained by HWP have the opportunity to be put to their intended use, irrigating land to the south of the Hurunui River.

The development of a viable scheme south of the Hurunui River is expected to result in a number of significant benefits to both new and existing shareholders. The wider community has enjoyed significant social and economic benefits as a result of established irrigation in the district, with further benefits anticipated with the addition of the new Hurunui Scheme.

Aspiring irrigators in the Hurunui Scheme Area can become new shareholders in an established irrigation company with a track record of delivering and managing large scale water infrastructure projects. The shares being offered are voting shares in Amuri that are the same class as those held by existing shareholders. The Water Supply Agreement for the Hurunui Scheme will give shareholders the right to irrigate one hectare per share at 0.45 litres per second for every share held.

The proceeds of this offer, together with additional debt finance, will fund the development and construction of the Hurunui Scheme. Amuri is focussed on delivering the Hurunui Scheme in an economic and sustainable manner, providing water to shareholders across the Hurunui Scheme as quickly and efficiently as possible.

Adding the Hurunui Scheme to the Existing Scheme will bring operational efficiencies and cost savings. Examples of these efficiencies include the better utilisation of shared storage facilities and existing employees.

Delivering irrigation scheme infrastructure is a substantial investment. The Hurunui Scheme Infrastructure will be sized and constructed in accordance with the level of demand received under this offer. Amuri does not intend to build the Hurunui Scheme to allow for any significant over capacity for future expansion in the Hurunui catchment, as this is unlikely to be affordable for those applicants who invest in this offer. Rather, Amuri is focused on the developing a scheme that is economically viable to shareholders.

I encourage you to take the time to carefully consider this offer (including Section 8 entitled "Risks to Amuri's Business and Plans") and seek appropriate advice if necessary. In order to successfully fund the proposed Hurunui Scheme there is a minimum number of shares we need to sell to raise enough equity and to provide future income for debt repayment. If the demand for shares is not sufficient, the Hurunui Scheme is unlikely to proceed.

Amuri has been encouraged by the level of support for its Hurunui Scheme to date. I look forward to your support as we realise the potential of the Hurunui Scheme.



**David Croft**  
Chair





## 2. Amuri and What it Does

### Overview – Amuri’s Business

Amuri is an irrigation company. The principal activity of Amuri is the supply of water and associated services to its shareholders within the Scheme Area.

Amuri was incorporated in April 1990 (under the Companies Act 1955) by the then Amuri Plains Irrigation Association to purchase the Waiau, Balmoral and Waiareka community irrigation schemes from the Crown. Amuri re-registered under the Companies Act 1993 in January 1997.

Amuri currently operates the Existing Scheme to distribute water for irrigation from the Waiau and Hurunui Rivers to its shareholders within the Amuri Basin. The Existing Scheme comprises three irrigation schemes – the Waiau Plains, Balmoral and Waiareka Downs Schemes – and currently irrigates over 28,000 hectares of land via an open race and pipe delivery network. Water Charges are set to make water available to shareholders on a cost recovery basis. Amuri wishes to expand the Existing Scheme by developing an additional irrigation scheme south of the Hurunui River referred to as the Hurunui Scheme.

Hurunui Water Project Limited (**HWP**) previously sought to develop a 21,000 hectare irrigation scheme south of the Hurunui River. For a number of reasons HWP’s proposal was not able to progress. Following discussions between HWP and Amuri regarding HWP’s proposed scheme and its resource consents, Amuri made a takeover offer to acquire all of the shares in HWP that Amuri did not already own, which was completed on 24 April 2019. The purpose of the takeover was to enable Amuri to acquire the Hurunui Consents and develop a smaller irrigation scheme that is economically viable for all shareholders. By acquiring all of the shares in HWP, Amuri acquired control of the Hurunui Consents.

On 31 May 2019, HWP amalgamated into Amuri pursuant to a short form amalgamation under the Companies Act 1993. The effect of the amalgamation was that:

- Amuri succeeded to all property, rights, powers, privileges, liabilities and obligations of HWP, including the Hurunui Consents; and
- HWP ceased to exist in its own right and was removed the New Zealand companies register.

The amalgamation allows Amuri to develop the Hurunui Scheme as the holder of the Hurunui Consents and achieves a number of efficiencies from a corporate governance, compliance and operational perspective.

### Current and Future Aspects of the Business

Amuri is focused on the following current and future aspects of its business:

- the design and construction of the Hurunui Scheme on an economically viable basis;
- the efficient management and improvement of its existing assets, such as the development of additional storage facilities and hydro-power generation;
- managing its responsibilities to the environment and promoting Good Management Practice.

Amuri’s key strategies and plans in respect of each of the above current and future aspects are described below. They are, of course, dependent on the risks associated with the relevant aspects of its business (see Section 8 entitled “Risks to Amuri’s Business and Plans”).

Applicants who subscribe for A Shares under this offer will become shareholders in Amuri and will therefore have an interest in each of the above current and future aspects of Amuri’s business.

There are also a number of on-going current and future aspects that affect Amuri’s financial performance that are similar to other irrigation companies in the sector, for instance, interest rates, the cost of repairs and maintenance, regulatory and compliance costs and the financial performance of shareholders/recoverability of Water Charges.

#### Design and construction of the Hurunui Scheme

Amuri has received an encouraging level of support for the Hurunui Scheme. Landowners in the proposed scheme area expressed interest for 6,200 hectares of land to be supplied water for irrigation. Amuri believes there is potential interest from a further 800 hectares of adjacent land to also be supplied water for irrigation. Amuri is also in discussions with existing irrigators and is currently making provision for an additional 1,100 hectares of existing irrigated land to join the Hurunui Scheme. The Conceptual Design is therefore currently based on a total area of 8,100 hectares.

The key objectives of the Hurunui Scheme are to:

- deliver pressurised water for irrigation to land owners in the Hurunui Scheme Area;
- utilise unused water within the Existing Scheme to reduce the cost of water for the Hurunui Scheme; and
- bring increased economic benefits to the wider community through an increase in land irrigated and the associated increase in farm production and value.

A map of the proposed scheme layout based on the Conceptual Design is included in Section 15 (entitled "Maps").

The estimated budget for the development and construction of the Hurunui Scheme is approximately \$79 million. The exact costs for the project have not yet been finalised given that the detailed design and contract procurement will not commence until after the Closing Date.

The project will be funded by the equity raised under this offer (up to a maximum of \$55 million) and new debt funding (up to a maximum of \$30 million). These maximum limits combine to exceed the project budget by \$6 million which gives Amuri flexibility and an ability to optimise the level of bank debt required depending on the level of demand under this offer. If, however, sufficient proceeds are not raised under this offer, the Hurunui Scheme is unlikely to proceed.

The new debt funding will be serviced by the Water Charges payable by those Shareholders that are supplied by the Hurunui Scheme. Further information on Water Charges can be found in Section 6 (entitled "Key Features of the A Shares").

In addition to the consents obtained from HWP, a number of Additional Consents will need to be obtained in order to construct and operate the Hurunui Scheme. Further information on the consents relating to the Hurunui Scheme can be found under the heading "Consents".

#### **Efficient management and improvement of existing assets**

Amuri owns and operates a significant infrastructure asset and, separate to its plans to develop the Hurunui Scheme, is focused on ensuring the Existing Scheme operates efficiently. Amuri's operating team is based in Culverden and carries out operations and maintenance of the Scheme Infrastructure. The recent pipe upgrade of the Existing Scheme was delivered under a contract that includes a defects warranty period that ends on 1 December 2019. The scheme operations and maintenance plan is currently being refined as staff become more experienced with the upgraded components of the Existing Scheme. Asset management software is being utilised to make maintenance of the infrastructure more efficient

and an asset management plan is currently under development.

The existing reliability of supply for the Existing Scheme's resource consents has meant that an investment in water storage infrastructure has not previously been warranted. Minimum flows under the Regional Plan have increased and a review of Amuri's consents to increase minimum flows is anticipated. The increased minimum flows would reduce reliability to the extent that an investment in water storage is justified. Amuri recently commenced a project to investigate the feasibility of a storage pond on the north bank of the Hurunui River (**Balmoral Storage Pond**) to improve reliability for the Existing Scheme. If the Balmoral Storage Pond goes ahead, it can also service the proposed Hurunui Scheme.

Amuri also intends to use existing Scheme Infrastructure to conduct "water swaps" to supply unused water from the Waiau Plains Scheme to the Balmoral Scheme when the Balmoral scheme is restricted. Unused water from the Waiau Plains Scheme can be conveyed down the Waiau main race to a proposed new buffer pond (**Buffer Pond**), which can then be pumped into the Balmoral Scheme pipeline. This "water swap" will require additional Scheme Infrastructure to be designed and constructed, including the Buffer Pond, pumps and pipelines. If the Hurunui Scheme proceeds, Amuri can also make unused water available to the Hurunui Scheme to better utilise the additional Scheme Infrastructure required to construct the water swap. Initial modelling shows that the infrastructure required for the "water swap" would be used approximately 75% of the time by the Hurunui Scheme and 25% of the time by the Existing Scheme, with all costs being shared by shareholders proportionally.

A map showing the indicative location of the Buffer Pond is set out in Section 15 (entitled "Maps"). The indicative location of the Buffer Pond is subject to confirmation by Amuri at its sole discretion.

When the pipe upgrade was designed and constructed, Amuri included some pipelines with additional capacity to provide for viable future hydropower generation. Amuri is currently completing feasibility design work for hydropower generation. The future revenue from hydropower generation in the Existing Scheme Areas will be used to reduce water charges for the Existing Scheme. Amuri will consider the opportunity for hydropower generation for the Hurunui Scheme during the detailed design phase. Any future revenue from hydropower generation in the Hurunui Scheme Area will be used to reduce water charges for the Hurunui Scheme.

#### **Responsibilities to the environment and promoting Good Management Practice**

Amuri has an Irrigation Scheme Management Plan (**ISMP**) that documents the management of shareholder

land to meet improved water quality outcomes. All Amuri shareholders have Farm Environment Plans (**FEPs**) that specify the on-farm actions required to meet Good Management Practice (**GMP**). The FEPs are audited and shareholders are graded in accordance with the ISMP.

Local irrigators who are not shareholders in Amuri and have their own irrigation infrastructure are also accommodated under the ISMP. Under separate contracts with these irrigators, Amuri provides and audits their FEPs for a fee.

Education and training is offered to farmers to help them improve management of their land and meet GMP. In the future Amuri will work with farmers to improve beyond what is currently required to meet GMP in order to further improve water quality.

Amuri undertakes extensive monitoring of the quality of groundwater and surface water within the Hurunui and Waiau River catchments. Regular samples are taken at a number of sites. There is also a detailed survey that has taken place over the 2018/19 summer to better understand the factors influencing water quality in the Hurunui and Waiau Rivers.

In 2017 Amuri proposed a mitigation package to the Hurunui Waiau Zone Committee (**Zone Committee**) that will deliver improved environmental outcomes for the local community. The mitigation package included a number of workstreams that will assist to improve water quality and increase cultural awareness within the catchments. The mitigation package also included a staged introduction of increased minimum flows in the Hurunui and Waiau Rivers. The mitigation package is still to be approved by the Zone Committee but will commence in June 2019.

A change to the Regional Plan was notified in May 2019. The change has been promoted to provide greater flexibility for dryland farmers. Amuri has agreed to surrender an allocation of nitrogen to allow the plan change to be approved without increasing the catchment limit for nitrogen.

Amuri holds a resource consent for farming within the Existing Scheme Area and a resource consent for farming within the Hurunui Scheme Area (as well as associated nitrogen loss to water). Amuri's Nitrogen Policy specifies how Amuri manages compliance with those resource consents. Any applications to change land use are managed in accordance with that policy. Amuri's Nitrogen Policy is available on the Offer Register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

## Conceptual Design

The proposed Hurunui Scheme reflects Amuri's aim to develop an economically viable irrigation scheme that would enhance its Existing Scheme and provide value to both new and existing shareholders. The utilisation of

existing Scheme Infrastructure is a key part in ensuring that the Hurunui Scheme is economically viable.

The proposed design of the Hurunui Scheme has only been progressed to a high-level and conceptual point, as it is not practical or cost efficient to create a detailed design until Amuri has certainty on the level of demand for A Shares and the location and size of each applicant's property and proposed land use. The Conceptual Design is based on approximately 6,200 hectares of expressions of interest from farmers in the proposed scheme area, with another 800 hectares to reflect the potential interest from adjacent landowners, and a provision for an additional 1,100 hectares of existing irrigated land to join the Hurunui Scheme. The Conceptual Design therefore covers 8,100 hectares in total.

The Conceptual Design for the Hurunui Scheme includes:

- a new intake, settling pond and fish screen on the south side of the Hurunui River;
- a piped distribution network, including Farm Turn-Outs;
- a storage pond south of the Hurunui River;
- booster pumping (as required) to 40 metres of pressure above ground level; and
- use of buffer ponds and pumps within the Existing Scheme to facilitate a transfer of unused water from the Waiau Plains and Balmoral Schemes.

Amuri is experienced at operating and maintaining irrigation schemes. In developing the Conceptual Design, Amuri has drawn on this experience, including from its recent pipe upgrade of the Existing Scheme, and has engaged professional advisers to assist with aspects of the preliminary design. In respect of the costs associated with the Conceptual Design, Amuri has undertaken preliminary financial modelling and has engaged professional advisors to assist in verifying the estimated construction costs and necessary contingences.

The Conceptual Design is based on the assumption that 7,000 A Shares are sold under this offer. The Conceptual Design will be progressed and finalised once all applications have been received and the level of uptake under this offer is known. The final design of the Hurunui Scheme will reflect the level of demand for A Shares under this offer. If Amuri reasonably determines that it is not economically viable to supply pressurised water to any applicants, it may decide not to accept those applications.

## Hurunui Scheme Viability – Water Charges

Water Charges are payable by shareholders on a per share basis to recover all capital, operating and specific shareholder expenses of Amuri. The Water Charges payable by shareholders supplied by the Hurunui Scheme primarily comprise:

- principal and interest repayments under the debt funding arrangements; and
- operating and maintenance costs.

Amuri will assess the economic viability of the Hurunui Scheme based on the amount of Water Charge that the shareholder will be required to pay to Amuri. The level of the Water Charges will be dependent on a number of factors including, without limitation:

- the capital cost of the Hurunui Scheme;
- the level of uptake of this offer of A Shares;
- the operating and maintenance costs of the Hurunui Scheme; and
- the terms of the debt funding arrangements, in particular the interest rate.

In assessing the economic viability of the Hurunui Scheme, Amuri will also assess (in its sole discretion) whether accepting any applications could significantly increase the Water Charges for other shareholders in the Hurunui Scheme.

Notwithstanding the above, this offer is conditional on the Board of Amuri being satisfied that the final Water Charges payable by shareholders supplied by the Hurunui Scheme are not likely to exceed \$500 per A Share for the first year of operation. Therefore, if after the Closing Date, Amuri believes on reasonable grounds that, after assessing the factors set out above and any other factors that Amuri considers relevant, the level of uptake of A Shares under this offer is likely to result in the Water Charges exceeding \$500 per A Share for the first year of operation, Amuri will not proceed with the Hurunui Scheme and no A Shares will be issued and all application money will be returned. No interest will accrue on any subscriptions that are returned to applicants.

Amuri's intention is to render the first invoice for Water Charges for the quarter immediately preceding the operation of the Hurunui Scheme payable in advance (or as otherwise determined by Amuri). Amuri reserves the right to change the timing for rendering the first invoice, including in the event the Hurunui Scheme is delayed.

Each applicant should assess whether the estimated Water Charges are achievable and sustainable from their own perspective. Further information on the estimated Water Charges is set out in Section 6 (entitled "Key features of Water Shares").

## Timing of Hurunui Scheme

Amuri proposes to commence the construction of the Hurunui Scheme in July 2020 (subject to the Conditions offer being satisfied or waived and receiving sufficient support by applicants under this offer).

The key proposed dates (which are indicative only and are subject to change by Amuri) for the design and construction phase of the Hurunui Scheme are as follows:

Key Milestone	Target Date
Detailed Design	December 2019
Issue Tender	January 2020
Award Contract	April 2020
Commence Construction	July 2020
Hurunui Scheme Complete and Operational	October 2021

## Consents

### Hurunui Consents

The Hurunui Consents were obtained by Amuri following the takeover and subsequent amalgamation of HWP into Amuri. They comprise the key consents required for the Hurunui Scheme, although a number of Additional Consents still need to be obtained, as described below under the heading "Additional Consents".

The Conceptual Design of the Hurunui Scheme does not utilise all of the Hurunui Consents and does not utilise some of the consents to their full capacity. Accordingly, Amuri will apply to vary some of the Hurunui Consents during the detailed design phase.

The Hurunui Consents provide for the ability to:

- take and use up to 49.1 cumecs of water from the Hurunui River;
- take, divert, dam/store and use water from the Hurunui and Waitohi Rivers;
- dam and store water in the Waitohi catchment;
- store 6.5 million cubic metres of water in an on-plains facility on the south bank of the Hurunui River;
- use water for irrigation of 58,500 hectares between the Kowai River and Waiau River; and
- use land for farming within the Hurunui River catchment.

The Hurunui Consents include restrictions on the flow that can be taken to ensure compliance with the environmental flow regime (minimum flow and allocation limits) for the Hurunui River and requirements for fish screening, navigation safety and monitoring at the intake point.

The consent to take and use water for irrigation includes:

- maximum volume restrictions;
- a scheme environment management plan (which requires monitoring and mitigation);
- requirements for Farm Environment Plans (**FEPs**);
- environmental mitigation for riverbed birds;
- community and stakeholder liaison through design and construction phases; and
- review clauses.

The management of nutrients is set out in both the consent to take and use water, and the land use consent for the Hurunui catchment. The key requirements are:

- that, as a result of farming activities within the command area, there is:
  - no increase in the phosphorous reaching the Hurunui River upstream of State Highway 1; and
  - no more than a 18.5% increase in the load of nitrogen that can enter the Hurunui River upstream of State Highway 1 calculated against baseline nutrient discharge load as at 2005 to 2011;
- a maximum amount of nitrogen (currently 1,270 tonnes) that can be leached below the root zone from farming activities within the command area in the Hurunui catchment;
- the preparation of a catchment nutrient load model prior to the commencement of irrigation in the Hurunui catchment;
- a scheme environmental monitoring plan that includes surface and groundwater quality monitoring, and triggers for increased mitigation of effects, and requires annual public reporting;
- Farm Environment Plans for properties receiving water from the scheme that include objectives for irrigation scheduling, nutrient and fertilizer management, wetland and biodiversity and managing nitrogen loss using OVERSEER; and
- auditing of Farm Environment Plans.

The land use consent applies to properties that are located solely in the Hurunui catchment. For any applicants whose property includes land located in both the Hurunui and Waipara catchments, a discharge permit for nitrogen from farming activities may be required under the Canterbury Land and Water Regional Plan. Any application for A Shares under this offer in respect of land within the Hurunui catchment that has a balance of dry land in the Waipara catchment is subject to and conditional on Amuri obtaining this discharge permit.

A set of general conditions that apply to all of the Hurunui Consents include conditions for environmental mitigation for riverbed birds, community and stakeholder liaison through design and construction phases, and review clauses.

The review clauses require an assessment of performance against the conditions within 7, 12 and 18 years of commencement of the consents.

If these assessments reveal declining surface and ground water quality, then they may result in a reduction in the volume of water available to the Hurunui Scheme for irrigation purposes or further restrictions on nutrient management on shareholder properties (to the extent Amuri is unable to show that the decline in quality is not caused by the Hurunui Scheme).

The Hurunui Consents expire in August 2050, although some of them must be given effect to by 2021.

A list of the key Hurunui Consents is set out in Section 17.

### **Additional Consents**

In addition to the Hurunui Consents, a number of Additional Consents will need to be obtained in order to construct and operate the Hurunui Scheme. Amuri has already started preparing the necessary applications for the Additional Consents, which include consents in relation to:

- discharge of fish bypass water;
- structures in the rivers;
- disturbance of riverbeds and banks for construction and maintenance;
- diversion of water during construction;
- earthworks for intake, sediment pond, piping, storage pond;
- discharge of dust during construction;
- discharge of stormwater during construction;
- dewatering / pumping of groundwater during construction;
- vegetation clearance for infrastructure;
- construction water takes;
- land use for the dam;
- stream crossings;
- potentially contaminated areas that may need to be managed and remediated; and
- various District Council consents for utilities and potential vegetation clearance.

While Amuri is confident that it will be able to obtain these consents, this offer is conditional on the issue of the Additional Consents being sufficiently progressed to the satisfaction of Amuri.



### Consents for the Existing Scheme

Amuri holds a number of consents to operate the Existing Scheme. Amuri is the largest consent holder for the Hurunui and Waiau Rivers and has consents to take 14.039 cumecs of water from the Waiau River and 5.258 cumecs of water from the Hurunui River.

Amuri also holds land use consent for farming within the Existing Scheme Area that specifies that the maximum nitrogen that is leached below the root zone from farming activities should be less than:

- 956 tonnes per year in the Hurunui River catchment; and
- 722 tonnes per year in the Waiau River catchment.

Both consents require annual reporting and for Amuri to implement an audited self-management programme, including by auditing all FEP's over the first three years of the programme.

A list of the key consents for the Existing Scheme is also set out in Section 17.

## Nutrients

Amuri's land use consents contain nitrogen limits, which are managed on a catchment load basis, as well as limits on phosphorous losses. Each shareholder in the Hurunui Scheme Area will have a Farm Environment Plan (**FEP**) and be required to operate at Good Management Practice (**GMP**) and to minimise nitrogen losses. Each shareholder's FEP will specify the management practices to be implemented and will, in particular, focus on mitigating phosphorous loss. Amuri will ensure that FEPs are in place prior to the Call Date for payment of the third instalment of the A Share Purchase Price (which is currently anticipated for 30 April 2021). Amuri regularly audits compliance with FEPs and its Nitrogen Policy.

Based on the results of Amuri's initial survey of landowners in the Hurunui Scheme Area, Amuri has been advised that there will be sufficient allocation under the land use consent for the land uses proposed by the interested landowners.

However, Amuri will not be able to determine this with any certainty until the actual proposed land use mix and level of uptake under this offer is ascertained. Upon receipt of the applications for A Shares, Amuri will review the proposed land use for each applicant and determine whether the nitrogen loss over the irrigated area will be able to be accommodated under its land use consent. Shares will only be issued to applicants if there is sufficient allocation under Amuri's land use consent for the applicant's proposed land use.

The land use nominated in the application form is binding. In accordance with Amuri's Nitrogen Policy, the nominated land use must be implemented within three

years of the date A Shares are issued under this offer. Otherwise, shareholders will revert to the nutrient load for the land use being carried out at the time of expiry of those three years. Shareholders can apply to change their land use in the future in accordance with Amuri's Nitrogen Policy.

A copy of Amuri's current Nitrogen Policy is available on the Offer Register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose). Amuri strongly encourages applicants to read its Nitrogen Policy. The Nitrogen Policy may be revised and updated in accordance with Amuri's requirements from time to time by giving notice to shareholders.

## Target Pressure / Booster Pumping

Amuri is targeting a minimum of 40 metres of pressure at ground level at each Farm Turn-out across the Hurunui Scheme. The costs of booster pumping to maintain this pressure will be recovered from shareholders through payment of their Water Charges.

In some cases, it may not be feasible for Amuri to provide 40 metres of pressure and in such cases the shareholder's Water Charges will be reduced in return for being supplied water at a lower pressure in accordance with Amuri's Offtake Pressure and Charging Policy. Similarly, if shareholders require additional pressure, this will result in an increase in Water Charges under the same policy. A copy of Amuri's Offtake Pressure and Charging Policy is available on the Offer Register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

## Farm Turn-Outs

Farm Turn-Outs allow the shareholder to access the water being supplied by Amuri. They will be provided, owned and operated by Amuri and will form part of the Scheme Infrastructure being funded by the proceeds of this offer.

A map showing the indicative location of each shareholder Farm Turn-out is set out in Section 15 (entitled "Maps"). The indicative location of each shareholder Farm Turn-out is subject to change. Amuri will consult with shareholders on the location of each shareholder Farm Turn-out, but the final location (which may or may not be as indicated in the map) will be determined by Amuri in its sole discretion.

## Water Supply Agreements

By signing and completing the Application Form, each applicant is irrevocably agreeing to be bound by the Water Supply Agreement and is deemed to have contemporaneously entered into this agreement with their application.

A summary of the terms of the Water Supply Agreement is set out in Section 16 and a full copy of the Water Supply Agreement is available on the Offer Register.

## Easement

By signing and completing the Application Form, each applicant is irrevocably agreeing to be bound by the Easement (if applicable). The Easement only relates to those shareholders who own land which the Hurunui Scheme Infrastructure will enter or pass through.

A summary of the terms of the Easement is set out in Section 16. These are the indicative terms of the Easement and are subject to reasonable changes (as determined in Amuri's sole discretion). A full copy of the Easement is available on the Offer Register.

## Availability of Water

Amuri's access to water is dependent on the consents and the availability of water at any time subject to outages, climate factors and river conditions.

In order to maintain reliability of the water (as far as is possible) Amuri takes all reasonable steps to:

- monitor and enforce compliance by Amuri and its shareholders with the consent conditions (including the requirement on shareholders to maintain an FEP and comply with the Water Supply Agreement);
- challenge any outcomes which may have a material adverse effect on the Scheme and/or shareholders under the consents;
- renew or amend the consents where appropriate;
- acquire or apply for any additional consents necessary or desirable for the Scheme;
- monitor and manage infrastructure to minimise shutdowns for maintenance and/or repair during the Irrigation Season;
- minimise emergency or unplanned outages;
- design the Hurunui Scheme Infrastructure to mitigate the effects of natural disaster or adverse river conditions;
- maintain strong working relationships with local contractors; and
- investigate water storage opportunities.

Amuri supplies water taken from the Hurunui and Waiau Rivers for irrigation. Amuri holds consents that authorise the take of water and operation of the Hurunui Scheme. The supply of water to the Hurunui Scheme will rely on the consents and the flow in these rivers. Low river flows can result in minimum flow conditions being reached and Amuri reducing or ceasing the takes. High river flows can lead to silt and material entering the scheme and restricting flows, requiring a temporary shutdown to clear any material.

The Hurunui Consents provide a reliability of approximately 91% over the October - March period on an Average Supply-Demand Ratio. Amuri is focused on developing water storage opportunities to improve and maintain reliability of supply to all shareholders. If Amuri is able to execute these opportunities as currently envisaged, it expects to be able to provide shareholders supplied by the Hurunui Scheme with the opportunity to increase reliability. The execution of these opportunities will require additional funding from shareholders in the future. The cost of future storage cannot be accurately predicted at this time. The cost of storage and level of reliability will be discussed with shareholders in the future when further information is available.

## Funding

Amuri will fund the Hurunui Scheme through equity (being the proceeds from this offer of A Shares) and debt. Amuri is looking to raise up to \$55 million from the issue of the A Shares under this offer (which includes an allowance for oversubscriptions).

Amuri has not yet secured the additional finance required to construct the Hurunui Scheme. It has received an indicative proposal from its current Bank to provide funding up to \$30 million, but this is subject to the Bank's credit approval process and other conditions, including Amuri being successful in raising the minimum amount of equity required under this offer.

## Shareholding

Amuri's shareholding is likely to change as a result of this offer of A Shares.

## Directors and Senior Managers

The directors of Amuri are:

- Nicola Susan Anderson
- Christopher Stephen Laurie
- Andrew William Benton
- Kenneth James McCone
- David Andrew Croft (Chair)
- Michal De Fauville Satterthwaite
- Emtyn Llewellyn Francis

The Chief Executive Officer of Amuri is Andrew James Barton.

## Substantial shareholders and relevant interests held by Directors and Senior Managers

The Chief Executive Officer does not hold any shares or other securities in Amuri.

Except for Christopher Laurie, all of the directors of Amuri are associated with shareholders in Amuri (none of which shareholders hold more than 5% of the shares on issue in Amuri). Details of directors' interests are set out in the adjacent table.

## Other Equity Securities in Amuri

The Constitution provides for a class of shares called "D" Shares which may only be held by an existing shareholder.

Amuri may issue D Shares to existing shareholders of Amuri from time to time in such numbers as the Board thinks fit. The rights and obligations attaching to D Shares are set out in clause 3.3 of the Constitution. D Shares are non-voting shares and, as at the date of this PDS, there are no D Shares on issue in Amuri.

The Board may also issue further A Shares and D Shares in the future to an owner of a property within the Scheme or a person who is proposing to join the Scheme (subject to water availability) without a special resolution of the shareholders of Amuri.

Neither A Shares nor D Shares carry the entitlement of pre-emptive rights (the right to purchase additional A or D Shares before other third parties).

## Priority of the Shares for dividends and in the event of liquidation

As among themselves, the holders of A Shares or D Shares are entitled to an equal share in dividends as authorised by the Board (which, as noted, are unlikely to be declared). Full details are set out in clause 3.2 and clause 3.3 of the Constitution.

A Shares and D Shares shall rank equally on liquidation of Amuri. Full details are set out in clause 3.2 and clause 3.3 of the Constitution.

## Interests of Directors and Senior Managers - Remuneration

The total remuneration and value of other benefits of directors of Amuri received for the financial year of Amuri ended 31 May 2018 are as follows:

Director	Remuneration and benefits
David Andrew Croft (Chair)	\$28,000
Nicola Susan Anderson	Nil
Andrew William Benton	\$15,000
Emlyn Llewellyn Francis	\$15,000
Christopher Stephen Laurie	\$25,000
Kenneth James McCone	\$15,000
Michal De Fauville Satterthwaite	Nil
Martin Peter Smith	\$15,000

Martin Peter Smith resigned as a director of Amuri on 28 November 2018.

Nicola Susan Anderson and Michal De Fauville Satterthwaite were appointed as directors on 28 November 2018 and therefore did not receive any remuneration or other benefits during the financial year ended 31 May 2018. They will, however, receive remuneration on the same basis as the other non-independent directors of Amuri for the financial year ending 31 May 2019 (\$15,000 per annum pro rata from their appointment date of 28 November 2018).

All of the directors of Amuri will receive remuneration for the financial year ending 31 May 2019 consistent with the amounts received for the financial year ending 31 May 2018. For the Chair, this is \$28,000 per annum, for the independent director, this is \$25,000 per annum, and for the non-independent directors, this is \$15,000 per annum.

No services were provided to Amuri by any director other than in their capacity of acting as a director of Amuri.

The number of employees (or former employees) of Amuri, who for the financial year ended 31 May 2018, received remuneration and other benefits in their capacity as employees of Amuri that in value was or exceeded \$100,000 are set out below:

Number of employees	Remuneration and benefits
One	\$110,000.00 - \$120,000.00
One	\$130,000.00 - \$140,000.00
One	\$250,000.00 - \$260,000.00

## Interests of Directors and Senior Managers - Shareholding

Except for Christopher Laurie, each of the directors have a material interest in Amuri in that they are directly or indirectly (through family companies or trusts) shareholders in Amuri.

In all cases directors are treated in the same manner as other shareholders in Amuri.

The entities associated with each director are as below:

Director	Relevant Interest Held	Number of A Shares Held	Percentage and number of A Shares held prior to the Offer	Percentage and number of A Shares held Following the Offer (indicative)	Post this offer number of A shares held
Nicola Susan Anderson	Auchenbrae Farm Limited	572	2.0%	1.6%	572
Andrew William Benton	Amuri Dairying Limited Nukiwai Pastoral Limited Pahau Pastures Limited	1,241	4.4%	3.5%	1,241
David Andrew Croft	David Andrew Croft, Voray Kitrina Croft, and Scott Francis Whitaker as trustees of the Hillcrest Trust	421	1.5%	1.2%	421
Emlyn Llewellyn Francis	Upper Balmoral Limited Kenmare Dairy Limited	761	2.7%	2.2%	761
Christopher Stephen Laurie	Nil	Nil	Nil	Nil	Nil
Kenneth James McCone	DC Land Limited KD Land Limited	288	1.0%	0.8%	288
Michal De Fauville Satterthwaite	Palmside Station Limited Michal de Fauville Satterthwaite, Susan Robina Satterthwaite and Monica Cheyne Ryan as trustees of the Loch Lea Trust	227	0.8%	0.6%	227

**Note:** the above table is an assumption based on 7,000 new A Shares being issued in Amuri (the maximum number of shares being offered, subject to Amuri's discretion to accept over-subscriptions).

## Other Material Governance and Disclosures

Amuri has obtained the necessary approvals from its shareholders to:

- obtain up to \$30 million of additional debt funding;
- issue additional A Shares under this offer up to a maximum of \$55 million; and
- enter into the contracts necessary to develop and construct the Hurunui Scheme.

There is no ability under the Constitution nor under any other agreement for one or more persons to exercise a power that would usually be exercised by the shareholders by resolution.

There is no provision under the Constitution or under any other agreement that provides that the Board of Amuri or a director of Amuri may act in a manner that the Board or the director believes in the best interests of a person other than Amuri (even though it may not be in the best interests of Amuri).

Neither the Constitution nor any other agreement provide any restriction on the ability of shareholders in Amuri to control the composition of the Board.



### 3. Purpose of the Offer

The purpose of this offer of A Shares is to raise equity funding (which together with debt funding) will be used by Amuri to construct the Hurunui Scheme and associated costs which include:

- construction of the Hurunui Scheme; and
- payment of costs associated with the Hurunui Scheme including without limitation, land access, consultancy, governance, professional and administration costs which are approved by the Board.

The proceeds received by Amuri under this offer will be applied to capital expenditure on all or any of the items listed above before any debt is drawn down by Amuri to pay for such items.

#### How the Use of Money May Change

Amuri expects that the use of the proceeds of this offer of A Shares will remain the same as described above and will not change based on the level of uptake under this offer.

#### Minimum Amount

As mentioned above, this offer of A Shares will not proceed if the minimum number of A Shares is not subscribed for (being 6,000 A Shares). The minimum amount to be raised under this offer is therefore \$42 million (6,000 A Shares at \$7,000 per share), while the maximum amount to be raised is \$49 million (7,000 A Shares at \$7,000 per share). These minimum and maximum numbers are subject to change at the Board's sole discretion, as well as the ability to accept over-subscriptions.

#### Underwrite

This offer is not underwritten by any party.



## 4. Key Dates and Offer Process

The key dates for this offer of A Shares are set out below:

Opening Date	10 June 2019
Closing Date	26 July 2019
Condition Date	31 March 2020
Issue Date of A Shares	<p>Within 2 weeks after all of the Conditions have been satisfied or waived or such other date as the Board may determine*.</p> <p>Share certificates will be produced by Amuri within one month of the date of the issue of the A Shares and will be held by Amuri on behalf of the shareholder for safe-keeping.</p>
<p>Date for payment of first instalment of A Share Purchase Price (\$1,000 per A Share)</p> <p>Date for payment of second instalment of A Share Purchase Price (\$3,000 per A Share)</p> <p>Call for payment of third instalment of A Share Purchase Price (\$3,000 per A Share)</p>	<p>With application.</p> <p>Following the offer becoming unconditional and prior to the Issue Date*.</p> <p>30 April 2021 or such other date as Amuri may determine and notify to shareholders having regard to the Hurunui Scheme progress (the <b>Call Date</b>)*.</p> <p>Payment of the second instalment must be made within 5 working days of Amuri giving notice to applicants confirming the offer has become unconditional. Payment of the third instalment must be made by the 20th day of the month immediately following the Call Date.</p>
Construction Timetable	The proposed key dates are set out in Section 2 under the heading "Timing of Hurunui Scheme".
Payment of Water Charges	<p>Under the Water Supply Agreement, shareholders are required to pay Water Charges based on the number of A Shares they hold (whether or not they take their allocation of water).</p> <p>Water Charges are currently rendered by Amuri to the shareholder on a quarterly basis in advance.</p> <p>Amuri's intention is to render the first invoice for Water Charges for the quarter immediately preceding the operation of the Hurunui Scheme payable in advance (or as otherwise determined by Amuri). Amuri reserves the right to change the timing for rendering the first invoice, including in the event the Hurunui Scheme is delayed.</p> <p>Further details in respect of the Water Charges are set out at Section 6 (entitled "Key Features of A Shares").</p>
Consequence of failing to make payment of the second or third instalment of the A Share Purchase Price or Water Charges	<p>Amuri will only issue A Shares under this offer following receipt of payment of the second instalment of the A Share Purchase Price. If the second instalment is not paid, Amuri will not issue A Shares to the applicant.</p> <p>In the event of non-payment of the third instalment of the A Share Purchase Price or Water Charges Amuri may exercise its remedies under the Constitution and Water Supply Agreement. Amuri may serve a notice on the shareholder requiring payment of third instalment of the A Share Purchase Price (together with any interest accrued and expenses incurred because of the non-payment) and if the requirements of the notice are not met, Amuri may resolve to forfeit those A Shares held by the shareholder.</p> <p>Amuri also has the first and paramount lien over all A Shares registered in the name of a shareholder and the proceeds of the sale of those A Shares and any other amount payable by the shareholder to Amuri (i.e. unpaid Water Charges).</p> <p>Amuri can also enforce or action non-payment of Water Charges by suspending the supply of water to the shareholder or cancelling the Water Supply Agreement.</p>

\*The above dates are indicative only and may be changed by Amuri. Amuri may also withdraw the offer of A Shares at any time before the allocation of the A Shares or accept late applications (either generally or in individual cases).

## 5. Terms of the Offer

A summary of the key terms of this offer of A Shares is set out in the Key Information Summary on pages 1 to 4. The key features of the A Shares are set out in Section 6 (entitled "Key Features of A Shares").

The Constitution and Water Supply Agreement also contain certain provisions which are relevant to the A Shares. Copies of these documents are available on the Offer Register and Section 10 (entitled "Where You Can Find More Information") also sets out the other ways you can obtain the Constitution.

Conditional Offer	<p>This offer is conditional on each of the following conditions (<b>Conditions</b>) being satisfied or waived by Amuri at its absolute discretion:</p> <ul style="list-style-type: none"> <li>● <b>Condition 1:</b> Amuri receiving a credit approved proposal from a Bank offering to finance the Hurunui Scheme on terms satisfactory to the Board of Amuri;</li> <li>● <b>Condition 2:</b> the Board of Amuri being satisfied that the construction costs are sufficiently certain, and the Construction Contracts are sufficiently advanced, for the construction of the Hurunui Scheme;</li> <li>● <b>Condition 3:</b> the issue of the Additional Consents being sufficiently progressed to the satisfaction of Amuri;</li> <li>● <b>Condition 4:</b> the Board of Amuri being satisfied that sufficient land access arrangements are in place for the development and construction of the Hurunui Scheme; and</li> <li>● <b>Condition 5:</b> the Board of Amuri being satisfied that the final Water Charges payable by shareholders being supplied by the Hurunui Scheme are not likely to exceed \$500 per A Share for the first year of operation.</li> </ul> <p>If all of the Conditions have not been satisfied or waived by Amuri by 5pm on 31 March 2020 or other such date as may be determined by the Board of Amuri in its sole discretion (<b>Condition Date</b>), the offer will be withdrawn and applicants will be refunded any amounts paid to Amuri under this offer. No interest will accrue on any amounts that are returned to applicants.</p>
Brief description of the A Shares	<p>The Shares being offered are A Shares in Amuri, which are the same class of shares held by existing shareholders. However, the Water Supply Agreement for the Hurunui Scheme will provide for a different amount of Water Charges payable per share (due to the funding arrangements for the Hurunui Scheme) and a different application rate per share.</p> <p>The Water Supply Agreement for the Hurunui Scheme shall entitle shareholders to irrigate one hectare with water at the rate of 0.45 litres of water per second for every A Share held. The maximum rate and volume of water each shareholder takes during each Irrigation Season is therefore dictated by the number of A Shares held.</p> <p>The terms of issue and the rights and obligations attaching to the A Shares are more specifically set out in clause 3.2 of the Constitution and in Section 6 (entitled "Key Features of A Shares") below.</p>
Price of the A Shares and Payment for the A Shares	<p>Fixed at \$7,000 per A Share payable in three instalments:</p> <ul style="list-style-type: none"> <li>● \$1,000 per A Share on application;</li> <li>● \$3,000 per A Share following the offer becoming unconditional and prior to the Issue Date;</li> <li>● \$3,000 per A Share on the Call Date*.</li> </ul> <p>Payment of the second instalment must be made within 5 working days of Amuri giving notice to applicants confirming the offer has become unconditional. Payment of the third instalment must be made by the 20th day of the month immediately following the Call Date.</p> <p>The price for the A Shares has been set by Amuri after obtaining a valuation and undertaking an assessment of the market rate for similar share offerings.</p> <p>A description of the remedies Amuri may utilise in the event of non-payment is set out in Section 8 (entitled "Risks").</p>

Purpose of this Offer	The purpose of this offer of A Shares is described in Section 3 (entitled "Purpose of the Offer").
Key Dates	See Section 4 (entitled "Key Dates and Offer Process") for information about the key dates of this offer of A Shares.
Applications	<p>Each applicant must fully complete, execute and return the Application Form and Approval Forms to Amuri no later than 5pm on the Closing Date*.</p> <p>Amuri will only accept applications for A Shares if it is satisfied the property of the applicant is within the Hurunui Scheme Area, is able to be supplied water economically and there is sufficient nitrogen allocation under Amuri's land use consent for the applicant's proposed land use.</p> <p>In addition, any application in respect of land that is located within both the Hurunui and Waipara catchments is subject to Amuri obtaining the necessary discharge permit under the Canterbury Land and Water Regional Plan. Any application in respect of land that is located within the Hurunui catchment that has a balance of dry land in the Waipara catchment is subject to and conditional on Amuri obtaining this discharge permit. If Amuri is unable to obtain the discharge permit, the Application Form will be rejected and applicants will be refunded any amounts paid to Amuri under this offer. No interest will accrue on any amounts that are returned to applicants.</p> <p>Amuri may also reject any application in its sole discretion without providing any reason for such rejection.</p>
Shares being offered	<p>The minimum number of A Shares being offered to each Shareholder is 10 A Shares**.</p> <p>This offer of A Shares will not proceed if 6,000 A Shares are not sold**.</p> <p>The maximum number of A Shares being offered will be 7,000 (with the ability to accept over-subscriptions)**.</p> <p>Assuming 7,000 A Shares are sold under this offer, this will represent 19.9% of all A Shares in Amuri immediately after issue.</p>
Water Supply Agreement	<p>By signing and completing the Application Form, each applicant is irrevocably agreeing to be bound by the Water Supply Agreement and as such will be deemed to have contemporaneously entered into this agreement with their application.</p> <p>A summary of the Water Supply Agreement is set out at Section 16 and a full copy of the Water Supply Agreement is available on the Offer Register.</p>
Water Charges	Under the Water Supply Agreement, shareholders are required to pay Water Charges based on the number of A Shares they hold (whether or not they take their allocation of water). Amuri's initial estimate of the Water Charges payable by shareholders supplied by the Hurunui Scheme is \$461 per A Share.
Access	The Water Supply Agreement (and Constitution) provides that the shareholder grants Amuri access to their land for (amongst other things) the purpose of attending to maintenance, operations and the construction of the Hurunui Scheme.
Easement	<p>By signing and completing the Application Form, each applicant is (if applicable) irrevocably agreeing to be bound by the terms of the Easement. The Easement only relates to those shareholders who own land which the Hurunui Scheme Infrastructure will pass enter or pass through.</p> <p>A summary of the terms of the Easement is set out at Section 16 and a full copy of the Easement is available on the Offer Register. These are the indicative terms of the Easement and are subject to reasonable changes (as determined in Amuri's sole discretion).</p>

\*The above dates are indicative only and may be changed by Amuri.

\*\*The above minimum and maximum numbers are subject always to the Board's sole discretion.

Section 10 (entitled "Where You Can Find More Information") sets out the various ways you can obtain a copy of the Constitution and Water Supply Agreement (for instance via the Offer Register online at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose)).

Returns/dividends potentially payable on the A Shares are discussed in Section 6 (entitled "Key Features of the A Shares").



## 6. Key Features of the A Shares

### Rights and Entitlements

The Shares being offered are A Shares in Amuri, which are the same class of shares held by existing shareholders. However, the Water Supply Agreement for the Hurunui Scheme will provide for a different amount of Water Charges payable per share (due to the funding arrangements for the Hurunui Scheme) and a different application rate per share.

The A Shares being offered carry the following rights, entitlements, and restrictions:

- One vote per A Share on a resolution of shareholders.
- A holder of A Shares shall pay annual Water Charges to Amuri on a per share basis (to be determined by the directors in their sole discretion) as more particularly set out below (and in the Water Charge provisions of the Constitution and Water Supply Agreement).
- The right to an equal share in dividends as authorised by the Board (although it is not intended that dividends be paid on any class of share issued by Amuri).
- The right to an equal share in the distribution of the surplus assets of Amuri on winding up.
- A Shares may only be issued, transferred to, and held by an owner of a property which forms part of the Scheme Area.
- Each A Share shall entitle the holder to an allocation of water at a rate or volume that may be determined by the Board in their sole discretion (the current rate is 0.45 litres of water per hectare per second for the Hurunui Scheme).
- A shareholder may (with Amuri's consent to be determined in its sole discretion) be entitled to irrigate more than one hectare per share on his or her land by irrigating at a lower application rate. By way of example, if a shareholder with 100 A Shares is entitled to irrigate 100 hectares at 0.45 litres of water per hectare per second, or if it so chooses 112.5 hectares at 0.4 litres of water per hectare per second.
- A shareholder in Amuri shall enter into Amuri's then current Water Supply Agreement.

- Each shareholder has an obligation to allow water to be conveyed over its land via a pipe in accordance with the terms of the Water Supply Agreement and the Constitution (including appropriate compensation for disruptions to farming operations and production, if applicable).

The Constitution provides that no one shareholder or group of shareholders that are associated persons shall be entitled to exercise a number of votes that exceeds 10% of the voting capital of the Company.

The terms of issue of the A Shares and their rights and entitlements are set out in clause 3.2 of the Constitution. Section 10 (entitled "Where You Can Find More Information") sets out the various ways you can obtain a copy of the Constitution and Water Supply Agreement.

### Transferability of A Shares

A Shares are only transferable in the following circumstances:

- If any shareholder wishes to sell land to which A Shares relate, then they must also transfer the A Shares (or the appropriate parcel of A Shares in the event of a subdivision) to the purchaser of the land.
- Shareholders may (with the Board's consent) transfer any A Shares, separately from the land to which the A Shares relate to existing shareholders of Amuri or persons who are not currently shareholders in Amuri but who own land sufficiently close to the Scheme to irrigate from it and wish to become part of the Scheme as shareholders in Amuri.
- In the case of the death of a shareholder, the survivor (where the deceased was a joint holder) or the legal personal representative of the deceased (where the deceased was a sole holder) will be the only person recognised by Amuri as having any title to the deceased's interest in the A Shares.
- The assignee of the property of a bankrupt shareholder is entitled to be registered as the holder of the A Shares held by the bankrupt.



## Water Charges

The Constitution and Water Supply Agreement provide that the shareholder shall pay the Water Charges on a per A Share basis at an amount to be determined in Amuri's sole discretion to recover all capital, operating and specific shareholder expenses. Amuri may determine a different rate between shareholders, taking into account such factors as it deems appropriate, including rate and volume of water, efficiency, reliability, pressure, cost of delivery and location. The Water Charges shall be payable at such time and in such manner as Amuri may from time to time determine.

Capital expenses incurred by Amuri include, without limitation, construction and consent costs in respect of the Scheme Infrastructure, interest and capital payments on any Bank loan and other loan or financing taken out by Amuri to fund capital projects (i.e. Scheme Infrastructure).

Operating expenses incurred by Amuri include, without limitation, all costs in relation to maintenance and repairs of the Scheme Infrastructure, electricity and other utility costs, any royalty, tax introduced and levied on water to be taken as part of the Scheme, costs of running and administering Amuri, monitoring and compliance costs, costs incurred by directors and directors' fees, costs payable to professionals and service providers to Amuri and any rental, premises costs (including utilities), if applicable.

Specific expenses incurred by Amuri include, without limitation, those expenses which are particular to a specific shareholder in respect of the supply of water such as all costs (which are not appropriate for Amuri to pay) in relation to specific construction and consent costs in respect of the Scheme Infrastructure required to ensure and maintain access to water by the shareholder, maintenance and repairs of Scheme Infrastructure and costs incurred as a result of the shareholder breaching the Water Supply Agreement and/or the consent conditions in relation to its water take and use including enforcement costs.

As Shareholders supplied by the Hurunui Scheme will provide the equity and service the debt required to fund the Hurunui Scheme, they will pay Water Charges at a different rate to existing shareholders.

## Payment of Water Charges

The Water Charges shall be payable by the shareholder to Amuri (which are currently rendered by Amuri to the shareholder on a quarterly basis in advance) whether or not the shareholder takes the water during the Irrigation Season and notwithstanding that the supply of water to their land may be suspended pursuant to the provisions of the Water Supply Agreement.

In the event of non-payment of any Water Charges due under the Water Supply Agreement, then without prejudice to Amuri's other rights and remedies Amuri may

exercise one or more of the following remedies:

- suspend the supply of water to a shareholder's land;
- cancel the Water Supply Agreement by giving ten working days written notice to the shareholder;
- forfeit the A Shares held by the shareholder in accordance with the Constitution; and
- charge default interest at a rate of 5% above the commercial overdraft rate of Amuri's bank (from time to time) shall accrue from the date of non-payment to the date the payment is actually made.

The shareholder shall also be responsible for the Amuri's recovery costs including, without limitation, legal costs on a client/solicitor basis.

## Estimated Water Charges

Based on the Water Supply Agreement (as summarised at Section 16) shareholders will be obligated to pay Water Charges on a per share basis. The Water Charges payable by shareholders in the Hurunui Scheme have been estimated based on assumptions regarding:

- the total area covered by the Hurunui Scheme;
- the capital costs of the Hurunui Scheme;
- the amount of equity raised under this offer;
- the amount of Amuri's retained earnings that will be spent in the development and construction of the Hurunui Scheme;
- the terms of the debt funding arrangements, including costs and term; and
- the operating and maintenance costs of the Hurunui Scheme, including booster pumping.

Based on these assumptions, Amuri has developed a financial model that estimates the level of Water Charges required to meet a number of financial criteria including the satisfaction of debt repayment covenants.

Amuri's initial estimate of the Water Charges payable by shareholders supplied by the Hurunui Scheme is \$461 per A Share, made up of the following components:

- an annual principal and interest repayment of \$359 per A Share;
- an operating and maintenance cost of \$102 per A Share.

After the first year of operation, the estimated Water Charges will be adjusted for any increases in operating costs and any changes in interest costs (including as a result of changes in interest rate hedging).

These Water Charges are estimates only and are subject to finalisation by Amuri. In particular, if less than 7,000 A Shares are sold under this offer, this may increase the Water Charges payable by shareholders supplied by the Hurunui Scheme.



## Dividends

Amuri seeks to control Water Charges for the supply of water to shareholders while at the same time retaining sufficient funds to ensure reliability of the Scheme and provision of services.

Notwithstanding that the Constitution allows for Amuri to pay a dividend on the A Shares (at the discretion of the directors and only after meeting appropriate solvency requirements) it is not Amuri's intention to provide shareholders with a financial return in the form of a dividend on the A Shares or other such payment from Amuri. Amuri can give no assurances as to the level or frequency of any dividend (or other distributions, if any) payable.

Amuri is run on a co-operative cost recovery basis with Water Charges set to recover costs and maintain the Scheme. The return that a shareholder will receive from the A Shares is the entitlement to be supplied water by Amuri (subject always to the terms of the Constitution and the Water Supply Agreement). The shareholder may receive a return (if any) from the increased value and productivity of the shareholder's land from irrigation.

## 7. Amuri's Financial Information

These tables provide key financial information about Amuri. Full financial statements are available on the Offer Register at <http://www.business.govt.nz/disclose/about-the-register/searching-for-an-offer-or-scheme>.

If you do not understand this financial information, you can seek advice from a financial adviser or accountant.

The 28 February 2019, 31 May 2018, 31 May 2017 and 31 May 2016 financial statements have each been subject to external audit.

### Selected Financial Information

	28/02/2019 (9 months - audited)	29/02/2018 (9 months - unaudited)	31/05/2015 (12 months - audited)	31/05/2014 (12 months - audited)	31/05/2013 (12 months - audited)
Revenues	5,214,443	4,324,273	6,022,237	1,799,232	1,707,484
EBITDA	2,865,555	1,738,249	2,734,640	199,717	66,562
NPAT	(941,421)	(638,398)	(686,369)	(759,413)	(73,119)
Dividends (totals for each class plus overall total)	Nil	Nil	Nil	Nil	Nil
Total Assets	92,036,097	88,045,885	94,600,914	68,140,251	16,484,417
Cash and Cash equivalents	1,766,437	3,086,228	7,557,619	8,455,456	174,966
Term Deposits (not included in Cash Equivalents above)	1,200,000	Nil	Nil	Nil	7,062,174
Total Liabilities	52,629,691	47,495,920	54,519,387	30,515,541	2,194,306
Total Debt (interest bearing liabilities)	49,244,165	43,722,530	49,782,173	22,168,287	Nil
Net Cash flows from Operating Activities	(380,508)	1,598,751	1,981,461	294,428	(47,760)

#### Notes:

The notes to the interim financial statements for the 9 month period ending 28 February 2019 include a note on subsequent events following the end of this period. The note confirms that the takeover of HWP was completed in April 2019 and it will have no material effect on the profit and loss of Amuri as HWP did not actively trade. It also confirms that the amount spent by Amuri to acquire HWP was \$1.59 million and the consideration received by Amuri was \$1.59 million.

Selected financial information for HWP for the periods ending 30 June 2016, 30 June 2017, 30 June 2018, and 28 February 2019 has not been included on the basis it would relate to HWP's proposed scheme that ultimately did not go ahead and is not considered material to Amuri's proposed scheme and this offer. The information that is material to Amuri's proposed scheme and this offer is the financial information set out in the subsequent events note to the interim financial statements, which is \$1.59 million consideration for HWP.

## 8. Risks to Amuri's Business and Plans

### Impacts

The risks detailed below are risks Amuri is aware of that exist or are likely to arise that significantly increase the risk to Amuri's financial position, financial performance and plans and ability to meet its obligations to shareholders.

Amuri considers that the following key impacts may occur as a result of a risk stated below.

**Water Charges** – if, as a result of a risk occurring, Amuri's financial performance or plans are affected, this may increase the Water Charges payable by shareholders. The Water Supply Agreement provides

that the amount of Water Charges are to be determined in Amuri's sole discretion and are payable whether or not the shareholder takes water during the Irrigation Season.

**Delay** – a further consequence of some of the risks below is a delay in the construction of the Hurunui Scheme which will also lead to delay in Amuri supplying water to the shareholders in the Hurunui Scheme.

**Reliability of water** – a final consequence of some of the risks below is that the supply of water to the shareholder may have to be reduced, suspended or ceased.

### Risks

Debt Funding	
Risk	Mitigation strategies
<b>Obtaining and maintaining funding</b>	
Amuri has not yet secured the additional finance required to construct the Hurunui Scheme. There is a risk that the terms of the indicative proposal from its current Bank are different to those set out in any credit approved offer. Amuri may be detrimentally affected by any significant increases in interest rates, fees and charges. Adverse market conditions will increase this risk and if any of these situations arise it could result in an increase in Water Charges payable by the shareholders.	Amuri has received an indicative proposal from its existing Bank to provide the debt funding required. If Amuri is not able to obtain a credit approved proposal from its current Bank on terms that are satisfactory to Amuri, it may be able to obtain finance from another Bank on terms that are satisfactory.
<b>Additional debt consolidated with existing debt</b>	
The additional finance required for the Hurunui Scheme will be consolidated with Amuri's existing debt. This means that all of Amuri's current and future assets will be used as security for the additional debt, even though it will only be serviced by the Water Charges payable by those shareholders supplied by the Hurunui Scheme. This exposes Amuri's other shareholders to the risk of non-payment of Water Charges by those shareholders supplied by the Hurunui Scheme and vice versa.	In the event of non-payment and subsequent default by those shareholders supplied by the Hurunui Scheme, Amuri has significant remedies against those shareholders to ensure that payment is made, including suspending the supply of water. Generally, Amuri expects that the shareholder's financier will seek to ensure that Water Charges continue to be paid and water continues to be supplied, in order to maintain farm production and value, being the security for its lending facilities.

Cost Escalation	
Risk	Mitigation strategies
<b>Construction costs</b>	
There is a risk that cost escalation could incur as a result of the estimated construction costs (including, without limitation, the material and labour costs) for the Hurunui Scheme increasing. If costs increase significantly, Amuri may need to increase Water Charges or amend the Conceptual Design (which may include reducing the size of the Hurunui Scheme).	In estimating the costs of the Hurunui Scheme, Amuri has used reasonable endeavours to undertake financial modelling and has engaged professional advisors to assist in verifying the estimated construction costs and necessary contingences based on industry standard techniques. The Construction Contracts will be tendered as fixed price and/or measure and value contracts. Amuri will also mitigate foreign exchange risk through appropriate foreign exchange risk management strategies.

<b>Operating and maintenance costs</b>	
There is a risk that the operating and maintenance costs of the Hurunui Scheme could increase.	The Hurunui Scheme represents an extension to the Existing Scheme and Amuri is experienced at operating and maintaining irrigation schemes. Amuri has undertaken financial modelling and has allowed for the additional costs associated with operating and maintaining a piped network and where appropriate has engaged professional advisors to estimate costs.
<b>Increase in finance costs</b>	
There is a risk that the costs of the additional finance required for the Hurunui Scheme increase. In particular, an increase in interest rates could have an adverse impact on Amuri's financial performance. As the Water Charges comprise an annual principal and interest repayment under Amuri's loan facilities, Amuri may need to increase Water Charges in the event interest rates increase.	In accordance with its Finance and Treasury Policy, Amuri will mitigate the risks associated with interest rate movements by actively hedging its exposure to interest rates through the execution of interest rate swaps, forward start agreements, interest rate options and swap options. Amuri monitors its interest rate hedging profile against policy parameters.

Uptake of Shares / Minimum Subscriptions	
Risk	Mitigation strategies
If A Shares are not sold in sufficient numbers to meet the minimum number of A Shares required for the offer to proceed, the Hurunui Scheme will not be able to proceed as there will not be sufficient equity. If the amount subscribed exceeds the minimum but is lower than expected this will affect the Water Charges set by Amuri.	Amuri could look to optimise the Conceptual Design to reduce costs (i.e. sizing of Scheme Infrastructure) and reduce the Water Charges payable by shareholders supplied by the Hurunui Scheme.

Consents	
Risk	Mitigation strategies
<b>Obtaining and varying consents</b>	
Amuri will need to obtain the Additional Consents for the Hurunui Scheme. If Amuri is unable to obtain these consents, it may not be able to proceed with the Hurunui Scheme as contemplated by the Conceptual Design. There is also a risk that the terms on which the Additional Consents are issued could increase the costs of the Hurunui Scheme, which may result in increased Water Charges.  Amuri also wishes to vary a number of the conditions to the existing Hurunui Consents. If Amuri is unable to vary these consents, this could also increase the cost of the Hurunui Scheme, which may result in increased Water Charges.	Amuri is experienced at operating and maintaining irrigation schemes and has already started preparing the necessary applications for the Additional Consents. It will engage with appropriate experts and advisers to assist with obtaining the Additional Consents and variations to the Hurunui Consents. Generally, the Additional Consents are similar to those that were required for Amuri's recent piping project. Amuri could also look to amend the Conceptual Design in the event it is not able to obtain the Additional Consents.
<b>Water Consents</b>	
Amuri is dependent on the availability of water under its consents. Amuri's ability to take water is subject to the conditions (including the minimum flow conditions) under its consents, as well as seasonal water flows and river conditions. If there are significant issues in the ability to access water, or low river flows, Amuri may not be able to supply water to shareholders at the volumes expected.	The Hurunui Consents currently provide a reliability of approximately 91% on an Average Supply-Demand Ratio and Amuri has engaged appropriate experts to assist with modelling this reliability. Amuri is currently focused on developing water storage opportunities to improve reliability.
<b>Renewal</b>	
There is a risk that consents may not be renewed following their expiry, or that the terms are changed on renewal, which could restrict the amount of water available to the Hurunui Scheme or increase the cost of compliance.	Most of the Hurunui Consents are not due for renewal until 2050. Amuri actively manages its consents and has strategies in place to mitigate the risks associated with consents not being renewed.
<b>Breach</b>	
There is a risk that Amuri may breach the conditions of its consents or not hold all required consents for its proposed activities. The consequences of such breaches or failure to hold consents can include abatement notices by the relevant authority or enforcement orders by the Environment Court requiring that the non-compliant or non-consented activities to cease, remedial works be undertaken or compensation be paid. Breaches of relevant consents or enforcement orders may result in Amuri being prosecuted or fined.	Amuri is experienced at operating and maintaining irrigation schemes in accordance with the requirements of the necessary consents. It actively manages its consents and has strategies in place to mitigate risks associated with non-compliance, including monitoring the obligations on shareholders in accordance with the terms of the Water Supply Agreement (which require shareholders to comply with the conditions set out in the consents). The Water Supply Agreement and Constitution contain strong remedies to ensure shareholder compliance with consent conditions.

Water and Nutrient Management	
Risk	Mitigation strategies
<b>Nutrient management</b>	
There is a risk that the proposed land uses within the Hurunui Scheme Area exceed the maximum nitrogen loads specified in Amuri's land use consent.	<p>Upon receipt of applications for A Shares, Amuri will review the proposed land use for each applicant and determine whether the nitrogen loss over the irrigated area will be able to be accommodated under its land use consent. Shares will only be issued to applicants if there is sufficient allocation under Amuri's land use consent for the applicant's proposed land use in accordance with Amuri's Nitrogen Policy.</p> <p>Each shareholder in the Hurunui Scheme Area will have a Farm Environment Plan (<b>FEP</b>) and be required to operate at Good Management Practice (<b>GMP</b>) and to minimise nitrogen losses. Each shareholder's FEP will specify the management practices to be implemented. In particular, the FEP will focus on mitigating phosphorous loss. Amuri will ensure that FEPs are in place prior to the Call Date for payment of the third instalment of the A Share Purchase Price. Amuri regularly audits compliance with FEPs and its Nitrogen Policy.</p>
<b>Water quality</b>	
The Hurunui Consents have strict conditions regarding water quality management. Increased irrigation may lead to increased nutrient concentrations in the groundwater and Waitohi and Waikari Rivers, being the key tributary streams to the Hurunui River within the Scheme Area (and subject to conditions under the Hurunui Consents). If it is determined that the Hurunui Scheme has resulted in a decline in water quality, the volume of water available for irrigation purposes may be reduced or further restrictions on nutrient management may be put in place.	Shareholders are required to adhere to Good Management Practice and comply with a FEP regulating land use to minimise nutrient loss, which is subject to regular audits by Amuri. Amuri is advancing a much smaller scheme than is provided for under the conditions of the Hurunui Consents, which will reduce the risk of declining water quality. Amuri is also likely to seek to amend the conditions to reflect the reduced scale of the scheme.
<b>Water reliability</b>	<b>Mitigation</b>
<p>The Hurunui Scheme is expected to have a water reliability of 91% in terms of Average Demand Supply-Ratio, which means that there may be times where water may not be available for irrigation. Amuri is focused on developing further water storage opportunities to improve reliability of supply to all shareholders, including the Balmoral Storage Pond and Buffer Pond.</p> <p>If Amuri is able to execute these opportunities as currently envisaged, it expects to be able to provide shareholders supplied by the Hurunui Scheme with the opportunity to increase reliability. There is a risk that the execution of these opportunities may require additional funding from shareholders in the future, including by increasing Water Charges. The increase in Water Charges cannot be estimated with any accuracy at this time, but will be discussed with shareholders when further information is available.</p> <p>If Amuri is unable to execute these opportunities, there is a risk that reliability does not improve.</p>	In accordance with its Finance and Treasury Policy, Amuri will mitigate the risks associated with interest rate movements by actively hedging its exposure to interest rates through the execution of interest rate swaps, forward start agreements, interest rate options and swap options. Amuri monitors its interest rate hedging profile against policy parameters.
<b>Outages</b>	
<p>The supply of water is reliant on the Scheme Infrastructure being fully operational. The Hurunui Scheme intake may be shut down when river levels are too high to limit the amount of sediment that has to be managed and cleared. Increases in temperature could also lead to weeds, algae, or other unwanted organisms and may also result in the intake being shut down.</p> <p>A catastrophic event or natural disaster (such as an earthquake or flood) may also result in damage to Scheme Infrastructure and/or require the intake to be shut down.</p>	Amuri is experienced at operating and maintaining irrigation schemes and actively manages its assets. Amuri intends on building a robust Hurunui Scheme and will have backup strategies in place to minimise the impact of outages. It will have appropriate insurance to cover Scheme Infrastructure and maintains strong relationships with local contractors who are able to assist with maintenance and repairs of the Scheme on short notice. Amuri's Water Supply Agreement makes shareholders responsible for any damage caused by them or their employees or contractors.



Failure by shareholders to make payments	
Risk	Mitigation strategies
Amuri is dependent on its shareholders paying the second and third instalments of the A Share Purchase Price, as well as Water Charges, on the due date for payment. In the event of late payment by a shareholder, this may affect the ability of Amuri to meet its outgoings on a timely basis or cause Amuri to breach the terms of its lending facilities (which may lead to a default or late payment fees or interest being payable).	<p>Amuri will only issue A Shares under this offer following receipt of payment of the second instalment of the A Share Purchase Price. For the third instalment, it has significant remedies available to it in accordance with the Constitution and Water Supply Agreement. Amuri may provide a shareholder with notice requiring payment together with default interest and recovery costs. If payment is still not made, Amuri may enforce its first and paramount lien over the shares and enforce a sale of the shares and recover the proceeds as payment for all amounts owed by the shareholder to Amuri. Amuri also has the ability to suspend the supply of water to the shareholder or cancel the Water Supply Agreement.</p> <p>Amuri has reasonable working capital facilities to deal with late or non-payment of any Water Charges. In the event a shareholder becomes insolvent, Amuri considers that any receiver, liquidator or other administrator would look to continue to pay Water Charges (on the basis that the supply of water is an essential service).</p>

Construction Risk	
Risk	Mitigation strategies
<b>Construction, Engineering Risk</b>	
<p>There are a number of risks associated with the construction of the Hurunui Scheme that may delay or increase the cost of the Hurunui Scheme, including:</p> <ul style="list-style-type: none"> <li>• delays in obtaining the pipe;</li> <li>• unforeseen adverse physical conditions;</li> <li>• poor contractor or sub-contractor execution;</li> <li>• difficulties accessing land (see further detail below);</li> <li>• contractors or sub-contractors experience financial distress;</li> <li>• third party damage to or interference with Scheme Infrastructure;</li> <li>• delays or difficulties in obtaining any building or construction consents on satisfactory conditions.</li> </ul>	<p>Amuri is experienced at delivering and managing large scale water infrastructure projects. It will ensure that contractors have the appropriate level of expertise and capacity to perform the works and will appoint professional advisers specialising in project management and procurement.</p> <p>In addition, Amuri will ensure (with its professional advisors) that the Construction Contracts will as best as reasonably possible balance the risk and include the appropriate levels of warranties and security. Amuri will also ensure that all parties have appropriate levels of insurance and warranty cover in place (i.e. Amuri and its contractors, advisers, and engineers).</p>
<b>Performance and Design Risk</b>	
<p>There is a risk that the Hurunui Scheme will not operate in accordance with the final design (i.e. water is not delivered at the expected volumes and pressure). It is also possible that parts of the Scheme Infrastructure may not perform as expected or a material defect occurs in the Scheme Infrastructure. If the Hurunui Scheme does not meet expected performance criteria or there is an issue with the performance or quality of the Scheme Infrastructure this would be detrimental to the effectiveness of the Hurunui Scheme and/or financial performance of Amuri.</p>	<p>Although residual performance risks will always remain, Amuri will mitigate performance and design risks through the use of competent engineers, peer reviews and engaging experts who have successfully designed and constructed other piped irrigation schemes. Amuri will also ensure that all parties have appropriate levels of insurance and warranty cover in place (i.e. Amuri and its contractors, advisers, and engineers).</p>

Land Access	
Risk	Mitigation strategies
Amuri may experience difficulties or delays in obtaining the rights to access certain land that is required to construct and operate the Hurunui Scheme. In addition to the access required over a shareholder's property (as set out in the Water Supply Agreement and Easement), a number of separate arrangements with specific landowners will be required. If land access is denied, Amuri may not be able to proceed with the Hurunui Scheme as contemplated by the Conceptual Design.	It is a requirement for the subscription of A Shares under this offer that the applicant agrees to grant Amuri access over its land to construct the Hurunui Scheme in accordance with the terms of the Water Supply Agreement and Easement. For the separate arrangements that are necessary, this offer is conditional on sufficient land access arrangements being in place. Amuri has started discussions with various landowners and the agreed access arrangements will be documented in enforceable legal agreements.



## 9. Tax

Tax law is complex and changes frequently. Tax can have significant consequences for investments.

Amuri recommends that if a shareholder has queries relating to the tax consequences of the investment, the shareholder should obtain professional advice on those consequences.



## 10. Where You Can Find More Information

Further information relating to Amuri and the A Shares (including a copy of the Constitution, Water Supply Agreement and financial statements) is available on the Offer Register at <https://disclose-register.companiesoffice.govt.nz>.

Amuri's public Company file (including a copy of the Constitution) may be viewed on the Companies Office website free of charge, [www.business.govt.nz/companies](http://www.business.govt.nz/companies).

Copies of the documents (including the Constitution) can be obtained by contacting the Companies Office of the Ministry of Business, Innovation and Employment at [info@companies.govt.nz](mailto:info@companies.govt.nz) or 0508 266 726. A fee may be payable.

Information is also available on the Amuri website, [www.amuriirrigation.co.nz](http://www.amuriirrigation.co.nz).

Any document not available on the Companies Office website will need to be requested through Amuri.

Further copies of the PDS may be obtained from Amuri:

By phone: 03 315 8984

Or by email to: [aic@mackaybailey.co.nz](mailto:aic@mackaybailey.co.nz)

Amuri is registered on the Financial Service Providers Register. An investor can search the Financial Service Providers Register to find out details about Amuri on [www.business.govt.nz/fsp/](http://www.business.govt.nz/fsp/).

An annual report complying with the Companies Act 1993 is available annually to all shareholders of Amuri.



## 11. How to Apply

### General Terms

An applicant must complete the Application Form. The Application Form is to be delivered by hand to Mackay Bailey Limited, 109 Blenheim Road, Riccarton, Christchurch or post to Mackay Bailey Limited, PO Box 13311, Riccarton, Christchurch or by email to [aic@mackaybailey.co.nz](mailto:aic@mackaybailey.co.nz).

Please contact Amuri if you require an additional or replacement Application Form.

**All Application Forms must be received by Amuri no later than 5pm on the Closing Date.** Amuri reserves the right to extend the period for the return of Application Forms.

The Application Form must be accompanied by payment of the first instalment of the A Share Purchase Price as set out in the Application Form.

This amount will be held in the trust account of Mackay Bailey Limited and will only be paid out to Amuri if the minimum number of A Shares required for this offer of A Shares to proceed is achieved. The banking of such money does not constitute an issue of any A Shares or acceptance of any application for A Shares.

Applications may be subject to scaling at the discretion of the Board and surplus money will be returned to applicants. If an application is declined or scaled the payment (or appropriate amount) will be refunded to the applicant with no interest. Receipts for application payments made will not be issued.

The outcome of all applications (successful or unsuccessful) will be advised of this by Amuri as soon as practicable after the issue of the A Shares (which will occur within 2 weeks after the date all of the Conditions have been satisfied or waived or such other date as Amuri shall determine in its sole discretion).

The second instalment of the A Share Purchase Price will be payable following the offer becoming unconditional and prior to the Issue Date of the A Shares. The call for the third instalment of the A Share Purchase Price will be made on the Call Date. Payment of the second instalment must be made within 5 working days of Amuri giving notice to applicants confirming the offer has become unconditional. Payment of the third instalment must be made by the 20th day of the month immediately following the Call Date.

The applicant consents to the call for payment of the third instalment of the A Share Purchase Price and the liability attributed to the A Shares in accordance with section 50 of the Companies Act 1993.

The Board of Amuri has sole discretion on the allocation of A Shares, whether it is economical to deliver water, and if water can be made available to the applicant.

On receiving all applications Amuri will determine for each application:

- the number of A Shares to be issued;
- whether the applicant's land can be supplied with water economically and is within the Hurunui Scheme Area;
- whether there is sufficient nitrogen allocation under Amuri's land use consent for the applicant's proposed land use;
- availability of water; and
- such other considerations as the determined by the Board in its sole discretion.

The Board may accept or reject any Application Form in its sole discretion without assigning any reason. In addition, any application in respect of land that is located within both the Hurunui and Waipara catchments is subject to Amuri obtaining the necessary discharge permit under the Canterbury Land and Water Regional Plan. Any application in respect of land that is located within the Hurunui catchment that has a balance of dry land in the Waipara catchment is subject to and conditional on Amuri obtaining this discharge permit. If Amuri is unable to obtain the necessary discharge permit, the Application Form will be rejected and applicants will be refunded any amounts paid to Amuri under this offer. No interest will accrue on any amounts that are returned to applicants.

Application Forms must conform with the Application instructions in this section of the PDS entitled

#### **APPLICATION INSTRUCTIONS.**

Terms defined in this PDS have the same meaning in the Application Form.

The Application Form, this offer of A Shares and any contract arising out of its acceptance are each governed by New Zealand law. Under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009,

applicants may be required to produce evidence of their identity.

**Personal Information Rights** – Personal information provided by you will be held by Amuri. This information has been collected, and will be used, for the purpose of managing your investment with Amuri. The information collected will be used by Amuri, its associated companies, its staff, professional advisers and agents and any other parties relevant to the management of your investment, for the purpose stated. You have the right to access and correct any personal information about you under the Privacy Act 1993.

**Terms and Conditions of Application** – By signing (or authorising an attorney or agent to sign) the Application Form:

- the applicant acknowledges that the Application Form was distributed with the PDS;
- the applicant acknowledges that he/she/it has read and understood all statements made in the PDS;
- the applicant irrevocably offers to be bound by the Water Supply Agreement; and
- the applicant irrevocably offers to be bound by the Easement (if applicable).

## APPLICATION INSTRUCTIONS

Applications to subscribe for A Shares must be made on the Application Form accompanying this PDS.

### Box A Applicant Details

A Shares must be held in the same legal name as the owner of the land to which those A Shares will relate.

### Box B Calculate the number of A Shares you require and the payment for the A Shares

One A Share provides sufficient water to irrigate one hectare. The water supplied per A Share is 0.45 L/s, which is sufficient for an average application rate of 4 millimetres per day.

A Shares can be purchased for up to 100% of the titled area of each property.

**A Shares** – The subscription price of \$7,000 for each A Share is payable in three instalments:

- \$1,000 per A Share is payable on Application;
- \$3,000 per A Share is payable following the offer becoming unconditional and prior to the Issue Date; and

- \$3,000 per A Share is payable on 30 April 2021 or such other date as Amuri may determine and notify the shareholder having regard to the progress of the Hurunui Scheme (the **Call Date**).

Payment of the second instalment must be made within 5 working days of Amuri giving notice to applicants confirming the offer has become unconditional. Payment of the third instalment must be made by the 20th day of the month immediately following the Call Date.

The amount payable on application may be paid in one of two ways: direct credit or cheque/bank draft.

**Option 1: Cheque** – payment of the amount payable on application may be made by bank draft in New Zealand dollars or a cheque drawn from a bank and must be made in New Zealand dollars. Cheques must be made payable to "Amuri Irrigation Share Offer", crossed "Not Transferrable". The cheque must be dated on or before the date specified in the Application Form as the presentation date. If an applicant's cheque is dishonoured, Amuri may cancel that applicant's subscription for the A Shares or the issue of the A Shares to that applicant and pursue any other remedies available to it at law.

**Option 2: Direct Credit** – Payment of amount payable on application may be made by direct credit/internet banking, to the trust account of MacKay Bailey Limited. **Please ensure that you include an appropriate reference such that your company name/surname so that your direct credit payment can be identified when it is received.** Please also note the date that your direct credit was made.

**Closing Date** – Payment and completed Application Forms must be received by Amuri prior to the Closing Date of this offer of A Shares being 26 July 2019\*.

### Box C Water Supply Agreement – Acknowledgement and Acceptance

In order to apply for A Shares you must please fill in the Water Supply Agreement Schedule in respect of all of the land you own within the Scheme Area and confirm acknowledgement of the terms of the Water Supply Agreement.

Amuri recommends that applicants who have any questions on the Water Supply Agreement contact Andrew Barton (Chief Executive Officer) on 022 318 5488 / [andrew@amuriirrigation.co.nz](mailto:andrew@amuriirrigation.co.nz) or seek independent legal advice.



## **Box D**

### **Easement – Acknowledgement and Acceptance**

In order to apply for A Shares you must confirm acknowledgement of the terms of the Easement.

Amuri recommends that applicants who have any questions on the Easement contact Andrew Barton (Chief Executive Officer) on 022 318 5488 / [andrew@amuriirrigation.co.nz](mailto:andrew@amuriirrigation.co.nz) or seek independent legal advice.

## **Box E**

### **Acknowledgement and Signature of Applicant(s)**

**Water Supply Agreement and Easement – In order to subscribe for A Shares, you must confirm your agreement to the terms of the Water Supply Agreement and Easement (if applicable).**

**Please read the PDS and Application Form carefully and sign and date the Application Form under Box D.**

The Application Form must be signed by the applicant(s) personally, by an authorised director if it is a company, duly authorised trustee if a trust or by a duly authorised attorney or agent.

If the Application Form is signed by an attorney, the power of attorney document is not required to be lodged, but the attorney must complete the certificate of non-revocation of power of attorney on the reverse of the Application Form.

Before signing the Application Form, the directors, trustees and partners must ensure that he/she/they has/have the power to do so under the governing constitution, trust deed and partnership deed, respectively and at law.

\*The above dates are indicative only and may be changed by Amuri.



## 12. Contact Information

Enquiries about investment:

**Andrew Barton (Chief Executive Officer)**

022 3185 488  
andrew@amuriirrigation.co.nz

**David Croft (Chair)**

027 4311 553  
david@amuriirrigation.co.nz



## 13. Directory

### **Directors:**

Nicola Susan Anderson  
Andrew William Benton  
David Andrew Croft  
Emlyn Llewellyn Francis  
Christopher Stephen Laurie  
Kenneth James McCone  
Michal De Fauville Satterthwaite

### **Solicitors:**

Anderson Lloyd, Anderson Lloyd House,  
Level 3, 70 Gloucester Street, Christchurch.

### **Accountants and Registered Office:**

Mackay Bailey Limited, 109 Blenheim Road,  
Riccarton, Christchurch.

### **Auditors:**

BDO Christchurch, Level 4,  
287 – 293 Durham Street North, Christchurch.

## 14. Glossary

The following definitions are used in this PDS:

**A Shares** means shares offered for application under this PDS carrying the rights and obligations as set out in the Constitution.

**A Share Purchase Price** – means \$7,000.00.

**Additional Consents** means the additional consents that Amuri will need to obtain in order to construct and operate the Hurunui Scheme, including those consents detailed in Section 2 (entitled "Amuri and What it Does") under the subheading "Consents".

**Amuri and Company** means Amuri Irrigation Company Limited.

**Application Form** means the Application Form attached to this PDS which is required to be completed and returned by the applicant to Amuri to subscribe for the A Shares.

**Approval Forms** means the approval forms in relation to the resource consent applications that Amuri will make to the Hurunui District Council and Canterbury Regional Council which are attached to this PDS and required to be completed and returned by the applicant to Amuri to subscribe for the A Shares.

**Average Supply-Demand Ratio** means the average number of days per Irrigation Season that water is available compared to the number of days a soil moisture deficit exist, expressed as a percentage.

**Balmoral Scheme** means that part of the Scheme servicing the shareholders in the Balmoral area.

**Bank** means a registered bank under the Reserve Bank Act 1989.

**Board** means the board of directors of Amuri.

**Call Date** means 30 April 2021 or such other date as Amuri may determine and notify to shareholders having regard to the progress of the Hurunui Scheme.

**Closing Date** means 26 July 2019. However, Amuri reserves the right to extend the period for the return of Application Forms at its sole discretion.

**Conceptual Design** means the proposed design of the Hurunui Scheme and Hurunui Scheme Infrastructure as described in Section 2 (entitled "Amuri and What it Does") under the subheading "Conceptual Design".

**Constitution** means Amuri's Constitution. Section 10 (entitled "Where You Can Find More Information") sets out the various ways you can obtain a copy of the Constitution.

**Construction Contracts** means the contract or contracts that will be tendered by Amuri in relation to the design and construction of the Hurunui Scheme Infrastructure.

**Easement** means the easement to be registered in favour of Amuri over the shareholders land (if applicable) as summarised in Section 16 and available on the Offer Register. The terms of the Easement are subject to reasonable changes (as determined in Amuri's sole discretion).

**ECan** means the Canterbury Regional Council.

**Existing Scheme or Existing Scheme Area** means the land serviced by Scheme Infrastructure owned and operated by Amuri as at the date of this PDS, comprising the land within the Waiau Plains Scheme, Balmoral Scheme and Waiareka Downs Scheme, and as shown in the map in Section 15 (entitled "Maps").

**Farm Environment Plan or FEP** means the Farm Environment Plan or the Farm Environmental Management Plan prepared by the shareholder.

**Farm Turn-out** is the place where the on-farm irrigation spray intake connects with a water pipe.

**Hurunui Consents** means the resource and other consents applicable to the Hurunui Scheme described in Section 2 (entitled "Amuri and What it does") under the subheading "Consents".

**Hurunui Scheme or Hurunui Scheme Area** means the land to be developed and serviced by the Hurunui Scheme Infrastructure as set out in Section 15 (entitled "Maps").

**Hurunui Scheme Infrastructure** means all infrastructure necessary to construct the Hurunui Scheme as set out in the Water Supply Agreement.

**HWP** means Hurunui Water Project Limited.

**Irrigation Season** means the period from the 1st day of October in one year to the 31st day of March in the following year or such other period as Amuri may from time to time determine.

**Issue Date** means the date the A Shares will be issued by Amuri to the applicants which will be within 2 weeks after all of the Conditions have been satisfied or waived or such other date as Amuri shall determine in its sole discretion.

**Offer Register** means the electronic register of offers of financial products ("Disclose") kept under Schedule 2 of the Financial Markets Conduct Act 2013 and available at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

**Opening Date** means 10 June 2019.

**Nitrogen Policy** means Amuri's Nitrogen Management policy, a copy of which is available on the Offer Register. This policy may be revised and updated in accordance with Amuri's requirements from time to time by giving notice to shareholders.

**PDS** means this Product Disclosure Statement.

**Regional Plan** means the Hurunui Waiau River Regional Plan.

**Scheme or Scheme Area** means the land serviced by Scheme Infrastructure owned and operated by Amuri including land within the Waiau Plains Scheme, Balmoral Scheme, Hurunui Scheme and the Waiaireka Downs Scheme and such new properties or schemes as the Board may determine from time to time.

**Scheme Infrastructure** means all infrastructure owned by Amuri to convey water through the Scheme (including the infrastructure necessary to construct the Hurunui Scheme) as set out in the Water Supply Agreement.

**Water Charges** means the estimated Water Charges (exclusive of GST) charged by Amuri to the shareholders in accordance with the terms of the Water Supply Agreement.

**Water Supply Agreement** means an agreement between Amuri and the shareholder allowing access to water as revised or updated from time to time in accordance with its terms. A summary of the Water Supply Agreement is attached at section 16 of this PDS and a full copy of the Water Supply Agreement is available on the Offer Register.

**Waiaireka Downs Scheme** means that part of the Scheme servicing the shareholders in the Waiaireka Downs area.

**Waiau Plains Scheme** means that part of the Scheme servicing the shareholders in the Waiau Plains area.



## 15. Maps

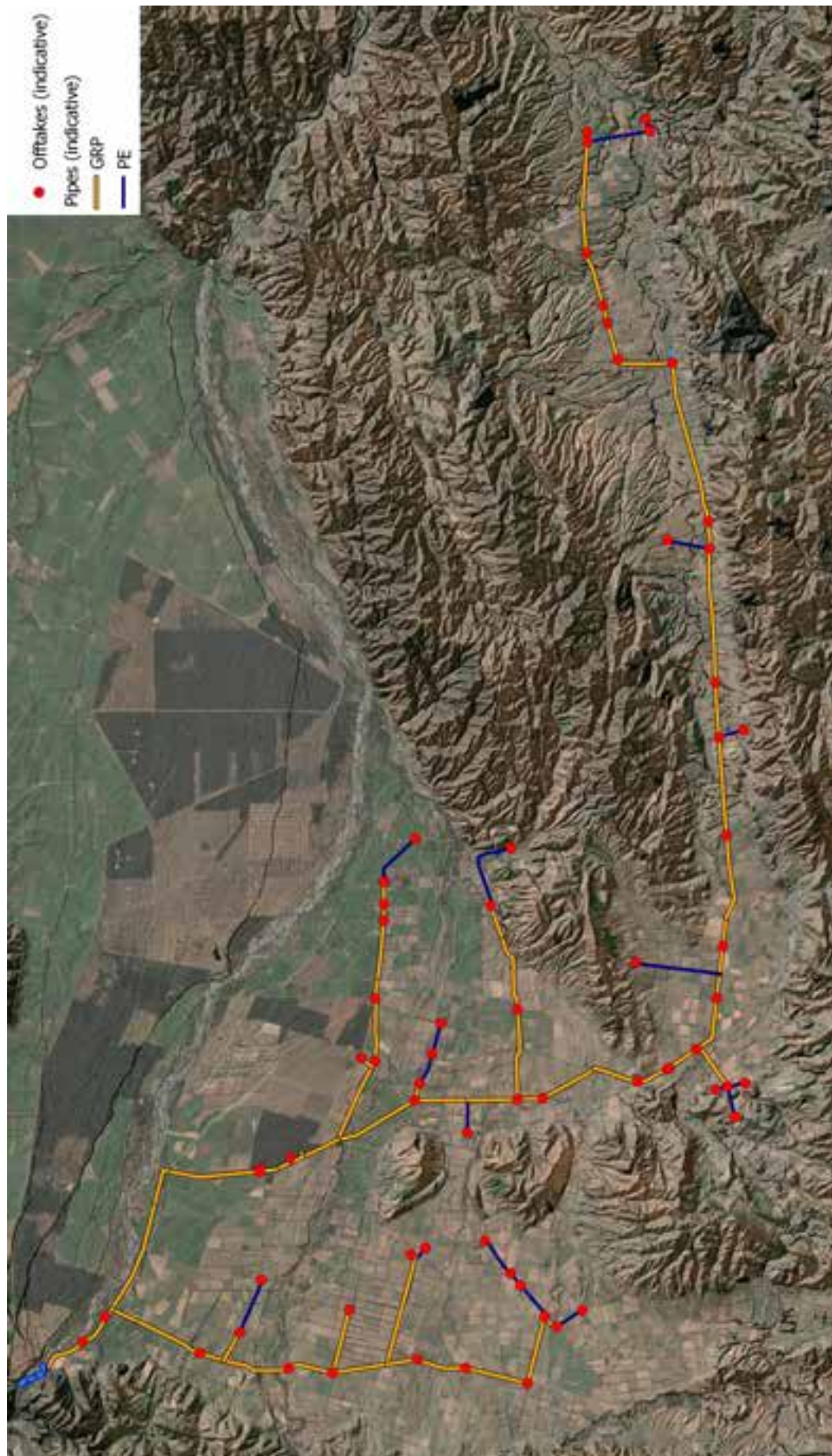
The areas noted in the maps below are indicative only and subject to change at Amuri's sole discretion.

### Existing Scheme Area



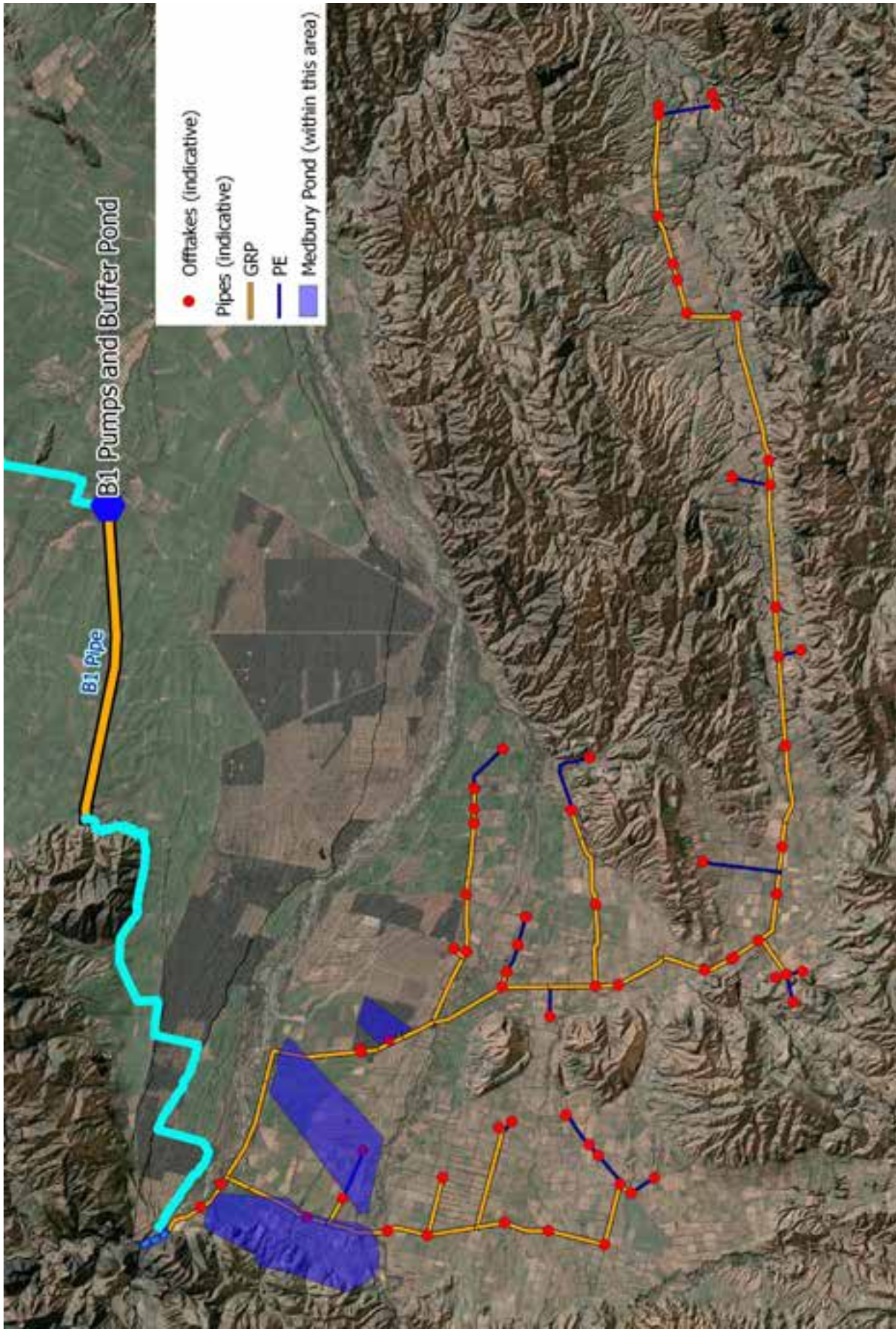


## Hurunui Scheme Area





Buffer Bond and Farm Turn-Outs





## 16. Summary of Water Supply Agreement and Easement

### Summary – Water Supply Agreement (the “WSA”)

The WSA provides the terms and conditions upon which Amuri supplies water to its shareholders (the “Farmer”). It has been substantially updated and amended to reflect regulatory changes such as the requirement for FEP and auditing.

The following is a summary of some of the key provisions:

1. **Term** (clause 2) – the term of the WSA is open ended and continues until such time as it is terminated in accordance with the provisions of the WSA (i.e. by agreement or for breach).
2. **Supply of water** (clause 3) – Amuri supplies water to the Farmer in consideration of the payment of Water Charges. The water is allocated on a per A Share basis with an application rate determined by the Board from time to time. A Farmer may (with Amuri’s prior written approval and in Amuri’s sole discretion) be entitled to irrigate more than one hectare per share by irrigating at a lower application rate. By way of example, if a Farmer has 100 A Shares he/she is entitled to irrigate 100 hectares at 0.45 litres per hectare per second, or may instead irrigate 120 hectares at 0.36 litres per hectare per second. Water can only be taken for efficient irrigation and cannot be taken for storage without Amuri’s prior written consent. Amuri’s consents and the nutrient limits attaching to those consents relate to Amuri’s Land Use Consented Area. In clause 3.6 the Farmer acknowledges that he/she is responsible for managing nutrient losses outside the Land Use Consented Area.
3. **Water Charges** (clause 4) – the Farmer shall pay Water Charges on a per A Share basis. The Water Charges are determined by the Board in their sole discretion. Water Charges include capital costs such as interest and capital payments on Bank loans to finance capital projects and operating costs including maintenance and repairs, administration of Amuri and compliance costs. In

addition, Amuri has the power to charge specific Water Charges to deal with costs in relation to supply of water to a particular Farmer (i.e. additional infrastructure or delivery costs). In the event of non-payment a default interest rate of 5% above the commercial overdraft of Amuri’s Bank accrues.

4. **Farmer obligations** (clause 5) – this clause contains relatively standard obligations requiring the Farmer not to interfere with Scheme Infrastructure, alter Scheme Infrastructure in any way without Amuri’s consent. For example, there is an obligation on the Farmer to ensure on-farm infrastructure contains protection against over pressure. In addition the Farmer shall use his/her best endeavours to make surplus on-farm infrastructure available to Amuri for booster pumping if required. Amuri will buy such surplus infrastructure at valuation.
5. **Health and Safety** (clause 6) – this clause provides that the Farmer and Amuri will together and individually comply with all obligations relating to health and safety. This may include the preparation of safety management plans and hazard registers. Where there is an emergency, Amuri may exclude any person from accessing designated areas.
6. **Surplus fill** (clause 7) – any surplus fill created by the installation of pipes will be stockpiled on the Farmer’s land at the Farmer’s reasonable request or if not wanted by the Farmer may be disposed of at Amuri’s discretion within reasonable proximity of the site of excavation.
7. **Company’s obligations** (clause 8) – this clause contains standard obligations on the part of Amuri including obligations to undertake reasonable maintenance of the Scheme, maintain Company consents to take water and comply with its statutory obligations including the Companies Act 1993, Financial Reporting Act 2013 and Health and Safety at Work Act 2015.



8. **Environmental provisions** (clause 9) – the Farmer acknowledges that Amuri must comply with Resource Management Act 1991 and the conditions of the consents held by Amuri and the supply of water is expressly subject to these consents. The Farmer agrees to comply with certain irrigation practices which will be incorporated in the FEP. Clause 9.4 provides that Amuri may from time to time impose a restriction on the Farmer's take and use water to comply with any restrictions imposed on the company by ECan.
9. **Resource Consents** (clause 10) – this clause provides that a shareholder will not hinder Amuri by objecting to any consent made by Amuri in relation to its operations.
10. **Metering** (clause 11) – Amuri may install meters to meter water taken by the Farmers.
11. **Sale, subdivision or lease** (clause 12) – if the Farmer wishes to sell or subdivide his/her land, then the Farmer is responsible for any additional infrastructure and cost associated with the supply of water following the sale or subdivision e.g. new piping or legal agreements in the event of a subdivision.
12. **Transfer of shares** (clause 13) – shares cannot be transferred separately from the land, without the consent of Amuri.
13. **Company's rights and powers** (clause 14) – this clause contains broad powers on behalf of Amuri to access land to undertake installation, excavation, works, operation, inspection and investigation and maintenance and repair of Scheme Infrastructure. Amuri shall use reasonable endeavours to consult with the Farmer in relation to the exercise of its rights giving reasonable notice except in the case of emergency repairs.
14. **Easement** (clause 14.7) – the Farmer grants Amuri a formal registered easement in respect of any new Scheme Infrastructure and any existing Scheme Infrastructure (if not already granted) covering the "right to convey water", a "right to convey electricity, telecommunications and computer media", a "right to locate, site and store pumping station" and a "right to generate electricity".
15. **Caveat** (clause 15) – the easement provisions provided within the WSA may create a caveatable interest over the Farmer's land and as such Amuri is entitled to lodge a caveat to protect its interest.
16. **Default** (clause 16) – the WSA contains standard default provisions typical to a commercial agreement in relation to insolvency and breach.
17. **Remedies** (clause 17) – in the event of default Amuri has the power to turn off the water without payment of compensation, take action for recovery of Water Charges and require the Farmer to undergo an FEP audit.
18. **Contract review** (clause 18) – Amuri may from time to time review and update the terms of the WSA to take into account changes in legislation, farming and practice.
19. **Limitation of liability** (clause 19) – Amuri has no liability for any claim for compensation arising for failure to supply water.
20. **Power of attorney** (clause 20) – the Farmer appoints the directors of Amuri as attorneys for the purposes of executing anything that the Farmer is obligated to do under the WSA but has failed to do so after having received a written request by Amuri. This includes written approval of any consent required in respect of the Hurunui Scheme.
21. **Disputes** (clause 23) – these provisions provide a process through which the parties will be able to resolve any disputes which arise between them.
22. **Financiers** (clause 33) – this provision anticipates likely Bank requirements to take an assignment of the WSA as security for their loans. This is because the principal asset of Amuri is the WSA's that allow Amuri to charge the Farmer Water Charges that are in turn used to pay the Bank.
23. **Independent advice** (clause 34) – Amuri's solicitors act for Amuri and the Farmer acknowledges that the Farmer has either obtained independent advice or has declined to do having been advised to obtain independent advice.



## Summary - Easement

The easement instrument provides Amuri with the right to convey water, the right to convey electricity, telecommunications and computer media, the right to generate electricity and the right to locate a pumping station over, on or through defined areas on the property owner's (the "**Grantor**") land. Each of the above rights includes with it the power to install the infrastructure which is required to enable Amuri to exercise its rights under each easement. The rights, together with the associated infrastructure, will enable Amuri to provide water to shareholders.

The following is a summary of some of the key provisions:

1. **Interpretation** (clause 1) - this clause defines the easement facility which sets out all the infrastructure which Amuri can install on the Grantor's land. The Scheme Infrastructure specifications relate to each easement which may be utilised by Amuri.
2. **Grant of rights** (clause 2) - Amuri has a number of rights in relation to each easement. Essentially, Amuri has the right to free and uninterrupted exercise all the rights relating to each easement.
3. **Fencing** (clause 2.5) - Amuri has the right to install, maintain and remove fences on the easement area as it requires. Amuri's intention is to fence the above ground infrastructure only.
4. **Ownership of Easement Facility** (clause 3) - Amuri will own all infrastructure associated with all the easements.
5. **Amuri's rights and obligations** (clause 4) - clause 4.1 sets out the details of Amuri's rights in relation to each easement. Essentially, Amuri can complete all works which may be required in relation to all the easements. This includes, but is not limited to installation, maintenance, operation, repairs and anything else which Amuri believes is required. Clause 4.2 provides Amuri with the ability to enter onto the Grantor's land with any equipment required in order to complete any works. Clauses 4.3 to 4.5 provide that Amuri will endeavour to give reasonable notice of works on the Grantor's land, will take into consideration the farming operation and will repair and level areas which it has worked on (where reasonable in the circumstances).
6. **Grantor's obligations** (clause 5) - clause 5.1 sets out the limitations on the Grantor's ability to use the area over which an easement runs. The Grantor's use of the area is restricted to ensure the continued and effective operation of the easements. Clause 5.2 requires the Grantor to complete specific tasks on the easement area. Clause 5.3 states that where the Grantor causes any damage to any easements that Grantor will be liable for the costs of repairing that damage.
7. **Health and Safety** (clause 6) - this provision is similar to the health and safety provision in the WSA. The Grantor and Amuri will together and individually comply with all obligations relating to health and safety. This may include the preparation of safety management plans and hazard registers. Where there is an emergency, Amuri may exclude any person from accessing the easement areas.
8. **Indemnity** (clause 8) - the Grantor will indemnify Amuri against all claims and losses which may arise out of any breach by the Grantor of the Grantor's obligations under the easement.
9. **Default** (clause 9) - this clause provides that where the Grantor has not met their obligations, Amuri may notify the Grantor of this and, in the event that the Grantor does not meet its obligations, Amuri may complete the required work and recover its costs from the Grantor.
10. **Dispute Resolution** (clause 10) - these provisions provide a process through which the parties will be able to resolve any disputes which arise between them.
11. **Costs** (clause 11) - each party will pay their own legal costs relating to the registration of the easement and any advice that may be required in relation to the easement. Amuri and the Grantor will be liable for all costs associated with their individual obligations under the easement. Where there has been a breach by the Grantor of any obligation under the easement and Amuri completes works required to remedy that breach, the costs may be recovered from the Grantor. The Grantor further agrees to pay the Grantee's costs in enforcing the terms of the Easement (including, but not limited to, the Grantee's legal costs that may be incurred on a solicitor-client basis).

**Note:** this easement protects all rights which may be required by Amuri in order to carry out the Scheme. Not all rights will be utilised in respect of each property which is part of the Scheme.

## 17. Consents

### Hurunui Consents

The key consents for the Hurunui Scheme are:

Scheme	Consent Number	Type	Consent	Expiry date
Hurunui	CRC120675	Water permit	Take and use water for the irrigation of up to 58,500ha of land	10 August 2050
Hurunui	CRC181082	Water permit	Divert and take surface water from Intake 4	10 August 2018
Hurunui	CRC185383	Water permit	Take and use surface water from Intake 3	10 August 2050
Hurunui	CRC190085	Water permit	Take and divert water from intakes 1A and 1B	10 August 2050
Hurunui	CRC172780	Land use consent	Use land for farming (up to 43,762ha in area) in the catchment of the Hurunui River	10 August 2050
Hurunui	CRC120692	Water permit	Dam water in the mainstem of the Waitohi River to create four water storage facilities	10 August 2050
Hurunui	CRC120694	Discharge permit	Discharge water from four water storage facilities to the Waitohi River	10 August 2050
Hurunui	CRC120696	Water permit	Take up to 42.4 cumecs from the Lower Gorge Reservoir	10 August 2050
Hurunui	CRC122547	Discharge permit	Discharge 17 cumecs from the Hurunui River into the Hurricane Gully Reservoir	10 August 2050
Hurunui	CRC130467	Water permit	Store up to 6.5 million cubic metres of water in 'on-plains storage'	10 August 2050

## Other Consents for the Existing Scheme

The key consents for the Existing Scheme are:

Scheme	Consent Number	Type	Consent	Expiry date
Waiau Plains	CRC951304, CRC951305	Water permit	Take and use water from the Waiau River at the rate of 11,000L/s	25 March 2033
	CRC174408	Water permit	Take and use water from the Waiau River at the rate of 173.2 L/s	25 March 2033
	CRC176489	Water permit	Take and use water from the Waiau River at the rate of 2,416 L/s	25 March 2033
Waiareka Downs	CRC951296, CRC951297, CRC951298	Water permit	Take and use water from the Waiau River at the rate of 450 L/s	25 March 2033
Balmoral	CRC951326, CRC951327	Water permit	Take and use water from the Hurunui River at the rate of 5,000 L/s	25 March 2033
Balmoral	CRC142008	Water permit	Take and use water from the Hurunui River at the rate of 258 L/s	25 May 2030
Scheme wide	CRC168820	Water permit	Use water for irrigation, water storage and hydropower generation in the Hurunui and Waiau catchments	25 March 2033
Scheme wide	CRC153154	Land use consent	Use land for farming with maximum nitrogen loss limits of 956 tonnes per year in the Hurunui River catchment and 722 tonnes per year in the Waiau River catchment	25 March 2033

## 18. Application Form & Approval Forms

### Application Form

This Application Form is issued with the Product Disclosure Statement (**PDS**) for the offer of A Shares in Amuri Irrigation Company Limited dated 31 May 2019.

This Application Form represents an offer to purchase the A Shares described in the PDS. Any capitalised terms used in this Application Form but not defined have the same meaning as given to those terms in the PDS.

A. Applicant Details			
Applications must be in the names of natural persons, companies, or other legal entities. A Shares must be held in the same legal name as the owner of the land to which those A Shares will relate.			
<b>Applications by trusts, estates, partnerships or other unincorporated bodies must be made in the individual names of the persons who are the trustees, proprietors or office bearers (as appropriate).</b>			
Title and First Name(s):		Surname:	
Title and First Name(s):		Surname:	
Title and First Name(s):		Surname:	
Name of Company / Trust / Partnership (if applicable):			
Authorised Representative for Company / Trust / Partnership (if applicable):			
Delegation (e.g. director):			
Property Address:		Suburb/ Town:	
City:		Postcode:	
Postal Address (e.g. PO Box):			
CT/Legal description (if known):			
Telephone:	Mobile:	Daytime:	
<b>Land use details</b>			
Total land area		Area (ha):	
Current land use	Land use:	Area (ha):	
	Land use:	Area (ha):	
	Land use:	Area (ha):	
Proposed land use on the land to be irrigated	Land use:	Area (ha):	
	Land use:	Area (ha):	
	Land use:	Area (ha):	
Ineffective land (yards, trees, etc)		Area (ha):	
Balance of dry land		Area (ha):	
Amuri will review each proposed land use and determine whether the nitrogen loss over the irrigated area will be able to be accommodated under Amuri's land use consent. <b>Shares will only be issued to applicants if there is sufficient allocation under Amuri's land use consent for the proposed land uses specified.</b> The land use nominated above is binding. Shareholders can apply to change their land use in the future in accordance with Amuri's Nitrogen Policy.			

### B. Applicant Shares and Payment Options

Calculate the number of A Shares you require and complete the box below. The A Share Purchase Price is fixed at \$7,000 per A Share.

**Applications must be accompanied by payment of \$1,000 per A Share of the A Share Purchase Price.**

**Calls for the second and third instalments of the A Share Purchase Price will be made by Amuri in accordance with the PDS.**

This Application Form and your payment must be sent to Amuri Irrigation Company Limited: by 5.00pm (New Zealand Time) on the Closing Date (being 26 July 2019):

by post to c/- Mackay Bailey Limited, PO Box 13311, Riccarton, Christchurch 8141

by delivery to c/- Mackay Bailey Limited, 109 Blenheim Road, Riccarton, Christchurch

by email to aic@mackaybailey.co.nz

The minimum amount you can apply for is 10 A Shares/NZ\$70,000.00. Please complete the boxes below.

Number of A Shares Applied for:		Final Total Price:	
First instalment of the A Share Purchase Price (\$1,000 per A Share which accompanies this Application):		Current Shareholding (if relevant):	

**The first instalment of the A Share Purchase Price may be paid in one of two ways: direct credit or cheque.**

**Choose ONE of the PAYMENT options below. Please tick the box next to your selected option.**

<b>Option 1</b>	Tick <input type="checkbox"/>  Date payment made: <hr/>	Payment may be made by direct credit/internet banking, to the account of Mackay Bailey Limited, being <b>02 0820 0199991 01</b> .  _____ (please record date).  Please ensure that you include your company name/surname so that your direct credit can be identified when it is received.
<b>Option 2</b>	Tick <input type="checkbox"/>	Payment may be made by cheque drawn from a Bank and must be made in New Zealand dollars. Cheques must be made payable to "Amuri Irrigation Share Offer" and crossed "Not Transferable".  If an applicant's cheque is dishonoured, Amuri may cancel any allotment of A Share and pursue any other remedies available to it at law.



### C. Water Supply Agreement – Acknowledgement and Acceptance

You have been provided with a copy of the Water Supply Agreement together with the PDS.

Please provide details of ALL property(ies) to which your A Shares will relate AND confirm agreement to the Water Supply Agreement.

Amuri recommends that applicants who have any questions or concerns about the Water Supply Agreement contact Andrew Barton on: 022 318 5488 or [andrew@amuriirrigation.co.nz](mailto:andrew@amuriirrigation.co.nz) or seek independent legal advice.

#### Water Supply Agreement Schedule:

Area (hectares):	Description:	Certificate of Title Reference:
TOTAL number of A Shares subscribed for under this offer of A Shares:		

By signing and submitting this Application Form the applicant:

- irrevocably offers to take water from Amuri on terms set out in the Water Supply Agreement in respect of all land owned within the Scheme Area;
- acknowledges that the Water Supply Agreement imposes a permanent obligation to pay Water Charges to Amuri; and
- acknowledges that the Water Supply Agreement imposes a permanent obligation to provide access to its land to Amuri; and
- acknowledges that Amuri may from time to time, amend the terms of the Water Supply Agreement in accordance with clause 18 of the Water Supply Agreement, and that the applicant will be bound by any such amendment on receiving written notice of the change.

I/We hereby acknowledge that I/We have received and read the Water Supply Agreement, and I/We accept and agree to be bound by the Water Supply Agreement in respect of all the relevant land owned within the Scheme Area of all A Shares we may hold from time to time.

#### D. Easement - Acknowledgement and Acceptance

A copy of the Easement is available in the Offer Register.

Amuri recommends that applicants who have any questions or concerns about the Easement contact Andrew Barton on: 022 318 5488 or [andrew@amuriirrigation.co.nz](mailto:andrew@amuriirrigation.co.nz) or seek independent legal advice.

I/We accept and agree to be bound by the Easement in respect of all the relevant land (as determined in Amuri's sole discretion) owned within the Scheme Area.

#### E. Signature(s) of Applicant(s)

I/We hereby acknowledge that I/we have received the PDS dated 31 May 2019.

I/we apply for the A Shares as set out above (or such lesser number as may be allocated to me/us) subject to the terms and conditions set out in the PDS and this Application Form.

**As per the acknowledgement and acceptance above by signing and completing this Application Form, you are irrevocably agreeing to be bound by the Water Supply Agreement in respect of all land owned by you within the Scheme Area.**

**In addition, by signing and completing this Application Form, you are irrevocably accepting and agreeing to be bound by the Easement (if applicable) in respect of all relevant land (as determined in Amuri's sole discretion) owned by you within the Scheme Area.**

**Amuri is not bound by the terms of the Water Supply Agreement and the Easement until it has agreed to supply water to the applicant.**

Sign:

Sign:

Sign:

#### F. Send Application Form and Cheque or confirmation of payment to Amuri Irrigation Company Limited, by 5.00pm on 26 July 2019.

By mail	c/- Mackay Bailey Limited, Po Box 13311, Riccarton, Christchurch 8141
By delivery	c/- Mackay Bailey Limited, 109 Blenheim Road, Riccarton, Christchurch
By email	<a href="mailto:aic@mackaybailey.co.nz">aic@mackaybailey.co.nz</a>

#### G. Certificate of Non-Revocation of Power of Attorney

(Complete this section if you are acting on behalf of the applicant on this Application Form for whom you have power of attorney)

I \_\_\_\_\_ (full name)

of \_\_\_\_\_ (place and country of residence),

\_\_\_\_\_ (occupation), CERTIFY:

THAT by deed dated \_\_\_\_\_ (date of instrument creating the power of Attorney)

of \_\_\_\_\_ (place and country of residence of person / body  
corporate which granted the power of attorney)

appointed me \_\_\_\_\_ ; (his/her/its) attorney

THAT I have executed the application for the offer of A Shares printed on this Application Form under that appointment and pursuant to the powers thereby conferred on me; and

THAT I have not received notice of any event revoking the power of attorney.

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of attorney \_\_\_\_\_

\*\* if donor is a body corporate, state place of registered office or principal place of business of donor and, if that is not in New Zealand, state the country in which the principal place of business is situated.

[illegible]

## FORM8A: WRITTEN APPROVAL OF PERSON(S) LIKELY TO BE AFFECTED

SECTION 95E RESOURCE MANAGEMENT ACT (RMA) 1991

TO: Consents Section  
Environment Canterbury  
PO Box 345  
Christchurch 8140

Ph: (03) 353 9007  
Fax: (03) 365 3194

FOR OFFICE USE ONLY

Application No:

### A. Information for consent applicant

- In accordance with s95E of the RMA, an application need not be notified if the adverse effects on the environment are minor and if written approval has been obtained from every person who, in the opinion of the consent authority, may be adversely affected by the granting of the resource consent (An exception is if, in the Council's opinion, it is reasonable to require the obtaining of every such approval).
- The Council provides this form to help obtain such approvals. The documented approval of persons who could be adversely affected by any proposed activity could assist the processing of the application.
- A copy of the application should be made available with this form. Please include a list of documents provided in Part B over page.

The following is to be completed by the applicant prior to this form being completed by the person(s) or organisation(s) giving approval.

Surname:		First names:	
Surname:		First names:	
<b>OR</b>			
Registered company name and number:	Amuri Irrigation Company Limited		
Property to which the application relates:	Various		
Contact person:	Andrew Barton, CEO		
Phone/email:	03 315 8984, andrew@amuriirrigation.co.nz		
Description of proposed activity for which application is made: (CRC number if known)	To construct and operate a water intake structure on the Hurunui River and water distribution pipeline to provide for the irrigation of land. Resource consent is required for the temporary diversion of water during construction, dewatering of construction activities, earthworks associated with the construction of a sediment pond and intake structure, the fish screen design, temporary construction water takes and discharges and undertaking maintenance activities within flowing water.		

Facilitating sustainable development  
in the Canterbury region

 **Environment  
Canterbury  
Regional Council**  
*Kaunihera Teiao ki Waikato*



**B. Information for person(s) or organisation(s) giving approval**

Please ensure that you have read and understood the following notes before deciding whether or not to sign this form.

- The person(s), organisation(s) and/or property listed below are those which the applicant considers could be adversely affected by the proposed activity described above. The applicant may seek approval before lodging the application, but it is the Council which must decide which persons, organisations or properties may be adversely affected.
- You may wish to seek legal advice before you sign this form.
- If there is a hearing, you may withdraw your written approval before the date of the hearing (s104(4) RMA).
- If there is no hearing, you may withdraw your written approval any time before the consent is decided (s104(4) RMA).
- Conditional written approvals cannot be accepted.
- There is no obligation to sign this form, and no reasons need to be given.
- If this form is not signed, the application may be notified with an opportunity for submissions if Council deems there are affected persons, organisations or properties.
- If signing on behalf of a trust or company, please provide additional written evidence that you have signing authority.
- Contact Environment Canterbury Customer Services on 0800 324 636 if you have any questions or concerns.

The following is to be completed by person(s) or organisation(s) giving approval.

Surname:	<input type="text"/>	First names:	<input type="text"/>
Phone:	<input type="text"/>	Email address:	<input type="text"/>
Property address:	<input type="text"/>		
CRC or bore number likely to be affected:	<input type="text"/>		

My interest in the above property is as: ☐ Owner ☐ Occupier

I have authority to sign on behalf of all other owner(s)/occupier(s) of the above property: ☐ Yes ☐ No

This is written approval for a resource consent application for the following activity:

I have read the full application for resource consent, the Assessment of Environmental Effects and have viewed any site plans (please list all document names and dates below):

☐ Yes ☐ No

In signing this written approval, I understand that the Council must then decide that I am no longer an affected person, and the Council must not have regard to any adverse effects on me.

☐ Yes ☐ No

<input type="text"/>	<input type="text"/>	<input type="text"/>
Signature	Date	Full name of person signing – please print



**AFFECTED PARTY APPROVAL FORM**  
**RESOURCE MANAGEMENT ACT 1991**

**Consent Number:**

**Applicant:**

**Site Address:**

**Legal Description:**

**Description of Application:**

Amuri Irrigation Company Limited

Hurunui River and plains to the south (as identified in attached plan)

Various

To construct and operate a water intake structure on the Hurunui River and distribution pipeline to provide for the irrigation of land. Resource consent is required for the location and volume of earthworks proposed and for vegetation clearance within the margins of water bodies.

**Note to affected persons:**

*If you are asked to give written approval for an application for resource consent we recommend that you should:*

1. *Seek advice immediately if you do not understand this process. The Council has copies of an information booklet "Yours Rights as an "Affected Person". Information is also available at [www.rma.govt.nz](http://www.rma.govt.nz) or 0800RMAINFO.*
2. *Ask the applicant to explain the proposal and plans clearly to you.*
3. *Read the application details and assessment for environmental effects and ask for time to consider the proposal if you need it. You may wish to seek legal advice before giving written consent.*
4. *You may ask the applicant for further information if you do not understand the proposal or have not seen the full application for resource consent and assessment of environmental effects. You may suggest changes to the applicant in order to address your concerns.*
5. *Decide whether you wish to give written consent or not. You should only sign this form if you **support or have no objection** to the approval of the resource consent application referred to.*
6. *If you wish to give consent fill in the details below, sign the form and return to the applicant.*
7. *If you do not wish to sign the form, you will need to advise the applicant.*
8. *If the property is owned by more than one person, all of the joint owners are considered to be 'adversely affected persons'.*

**Affected Party Details**

1. I / we \_\_\_\_\_  
(Print full name)
2. being the (tick relevant) ☐ owner(s) ☐ occupier(s) ☐ owner(s) and occupier(s)
3. of the property situated at \_\_\_\_\_  
(Location address and or legal description of your property)

4. I / we have authority to sign on behalf of the following:  
all the ☐ owner(s) ☐ occupier(s) ☐ owner(s) and occupier(s) of the property.
5. I / we confirm I / we have seen a copy of the application for resource consent including the assessment of environmental effects.
6. I / we have signed a copy of the plans (attach the plans).
7. I / we understand that in giving my / our written approval, the Council can not take into account of any actual or potential effects of the activity on my / our property. The fact that such effects may occur shall not be on relevant grounds upon which the Council may refuse to grant its consent to the application.
8. I / we understand that at any time before determining the application, I / we may give notice in writing to the Council that this approval is withdrawn under Section 104(4) of the Resource Management Act 1991.
9. I / we give written consent for the application for resource consent application.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Note:** Please check you have enclosed a copy of the plans signed by the affected party.



[illegible]







## Contact

For further information please contact:

**Andrew Barton**

Chief Executive Officer

Amuri Irrigation Company Ltd.

Mobile: 022 318 5488

E-mail: [andrew@amuriirrigation.co.nz](mailto:andrew@amuriirrigation.co.nz)